**IMPORTANT NOTICE**

Attached is an electronic copy of the final Confidential Offering Circular (the “Offering Circular”), dated August 18, 2005, relating to the offering by Soloso CDO 2005-1 Ltd. (the “Issuer”) and Soloso CDO 2005-1 Corp. (the “Co-Issuer” and, together with the Issuer, the “Co-Issuers”) of U.S $170,000,000 Class A-1L Floating Rate Notes Due October 2035, U.S. $126,000,000 Class A-1LA Floating Rate Notes Due October 2035, U.S. $39,000,000 Class A-1LB Floating Rate Notes Due October 2035, U.S. $45,500,000 Class A-2L Deferrable Floating Rate Notes Due October 2035, U.S. $40,000,000 Class A-3L Floating Rate Notes Due October 2035, U.S. $19,000,000 Class A-3A Fixed/Floating Rate Notes Due October 2035, U.S. $19,000,000 Class A-3B Fixed/Floating Rate Notes Due October 2035 and U.S. $16,500,000 Class B-1L Floating Rate Notes Due October 2035.

No registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities are being offered pursuant to an exemption from the registration requirements of the United States Securities Act of 1933, as amended. This Offering Circular is confidential and will not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of these securities in any jurisdiction where such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any jurisdiction.

No purchase of these securities may be made except pursuant to this Offering Circular. This Offering Circular may be transmitted electronically, but each investor in the securities should receive a printed version thereof prior to purchase. If you do not receive a printed version of this Offering Circular, please contact your Initial Purchaser representative at the address provided herein.

Distribution of this electronic transmission of the Offering Circular to any person other than (a) the person receiving this electronic transmission from the Initial Purchaser on behalf of the Issuer and/or the Co-Issuer and (b) any person retained to advise the person receiving this electronic transmission with respect to the offering contemplated by the Offering Circular (each, an “Authorized Recipient”) is unauthorized. Any photocopying, disclosure or alteration of the contents of the Offering Circular, and any forwarding of a copy of the Offering Circular or any portion thereof by electronic mail or any other means to any person other than an Authorized Recipient, is prohibited. By accepting delivery of this Offering Circular, each recipient hereof agrees to the foregoing.

# SOLOSO CDO 2005-1 LTD.

# SOLOSO CDO 2005-1 CORP.

U.S. $170,000,000 Class A-1L Floating Rate Notes Due October 2035
U.S. $126,000,000 Class A-1LA Floating Rate Notes Due October 2035
U.S. $39,000,000 Class A-1LB Floating Rate Notes Due October 2035
U.S. $45,500,000 Class A-2L Deferrable Floating Rate Notes Due October 2035
U.S. $40,000,000 Class A-3L Floating Rate Notes Due October 2035
U.S. $19,000,000 Class A-3A Fixed/Floating Rate Notes Due October 2035
U.S. $19,000,000 Class A-3B Fixed/Floating Rate Notes Due October 2035
U.S. $30,500,000 Class B-1L Floating Rate Notes Due October 2035

The Notes, consisting of the Class A-1L Floating Rate Notes Due October 2035 (the **"Class A-1L Notes"**) in the aggregate principal amount of U.S. $170,000,000, the Class A-1LA Floating Rate Notes Due October 2035 (the **"Class A-1LA Notes"**) in the aggregate principal amount of U.S. $126,000,000, the Class A-1LB Floating Rate Notes Due October 2035 (the **"Class A-1LB Notes"** and, together with the Class A-1LA Notes and the Class A-1L Notes, the **"Class A-1 Notes"**) in the aggregate principal amount of U.S. $39,000,000, the Class A-2L Deferrable Floating Rate Notes Due October 2035 (the **"Class A-2L Deferrable Notes"**) in the aggregate principal amount of U.S. $45,500,000, the Class A-3L Floating Rate Notes Due October 2035 (the **"Class A-3L Notes"**) in the aggregate principal amount of U.S. $40,000,000, the Class A-3A Fixed/Floating Rate Notes Due October 2035 (the **"Class A-3A Notes"**) in the aggregate principal amount of U.S. $19,000,000**,** the Class A-3B Fixed/Floating Rate Notes Due October 2035 (the **"Class A-3B Notes"** and, together with the Class A-3A Notes, the Class A-3L Notes, the Class A-2L Deferrable Notes and the Class A-1 Notes, the **"Class A Notes"**) in the aggregate principal amount of U.S. $19,000,000, and the Class B-1L Floating Rate Notes Due October 2035 (the **"Class B-1L Notes"** and, together with the Class A Notes, the **"Notes"**) in the aggregate principal amount of U.S. $30,500,000 are being issued by Soloso CDO 2005-1 Ltd. (the **Issuer"**), an exempted company incorporated with limited liability under the laws of the Cayman Islands, and will be co-issued by Soloso CDO 2005-1 Corp., a Delaware corporation (the **"Co-Issuer"** and, together with the Issuer, the **"Co-Issuers"**), on a non-recourse basis as described herein.

*(Continued on following page)*

It is a condition of issuance that the Class A-1 Notes be rated "Aaa" by Moody's, "AAA" by Fitch Ratings and "AAA" by S&P, the Class A-2L Deferrable Notes be rated at least "Aa1" by Moody's, at least "AA" by Fitch Ratings and at least "AA-" by S&P, the Class A-3L Notes be rated at least "A3" by Moody's and at least "A-" by Fitch Ratings, the Class A-3A Notes be rated at least "A3" by Moody's and at least "A-" by Fitch Ratings, the Class A-3B Notes be rated at least "A3" by Moody's and at least "A-" by Fitch Ratings, and the Class B-1L Notes be rated at least "Baa3" by Moody's and at least "BBB" by Fitch Ratings. See "Ratings."

Application will be made to the Irish Stock Exchange to admit the Notes to the Daily Official List of the Irish Stock Exchange. There can be no assurance that such admission will be granted.

**For certain factors to be considered in connection with an investment in the Notes, see "Special Considerations" and "Notices to Purchasers."**

**No.: ______________________________ Recipient: ______________________________**

**This Confidential Offering Circular is intended for the exclusive use of the recipient whose name appears above and such recipient's advisors, and may not be reproduced or used for any other purpose or furnished to any other party.**

---

The Notes are being offered in registered form to **"**qualified institutional buyers**"** within the meaning of Rule 144A (**"Rule 144A"**) under the U.S. Securities Act of 1933, as amended (the **"Securities Act"**), "accredited investors" as defined in Rule 501(a) under the Securities Act, and to certain persons in transactions outside the United States in reliance on Regulation S under the Securities Act, all of whom (other than non-U.S. Persons purchasing in offshore transactions under Regulation S) are also **"**qualified purchasers**"** within the meaning of Section 3(c)(7) of the U.S. Investment Company Act of 1940, as amended (the **"Investment Company Act"**). Settlement of the Notes will be made in immediately available funds.

---

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT NOR HAS EITHER OF THE CO-ISSUERS BEEN REGISTERED UNDER THE INVESTMENT COMPANY ACT. THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR "ACCREDITED INVESTORS" (AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT). THE NOTES MAY ALSO BE OFFERED OR SOLD TO CERTAIN PERSONS IN TRANSACTIONS OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S. THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO U.S. PERSONS EXCEPT TO "QUALIFIED PURCHASERS" (WITHIN THE MEANING OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT) IN A TRANSACTION THAT DOES NOT CAUSE EITHER OF THE CO-ISSUERS TO BE REQUIRED TO REGISTER UNDER THE INVESTMENT COMPANY ACT. FOR CERTAIN RESTRICTIONS ON RESALE SEE "DELIVERY OF THE NOTES; TRANSFER RESTRICTIONS; SETTLEMENT."

---

The Notes are offered by the Co-Issuers through Bear, Stearns & Co. Inc. and SunTrust Capital Markets, Inc. (collectively, the **"Initial Purchasers"**) to prospective purchasers from time to time in negotiated transactions at varying prices to be determined in each case at the time of sale. The Notes are offered when, as and if issued by the Co-Issuers, subject to prior sale or withdrawal, cancellation or modification of the offer without notice and subject to approval of certain legal matters by counsel and certain other conditions. It is expected that delivery of the Notes will be made on or about August 24, 2005 (the **"Closing Date"**), against payment in immediately available funds.

The Notes sold to non-U.S. Persons, if any, will be represented on the Closing Date by Temporary Regulation S Global Notes, which will be deposited with a custodian for and registered in the name of a nominee of DTC for the respective accounts of Euroclear and Clearstream. The Notes sold to U.S. Persons, if any, who are Qualified Institutional Buyers will be issued, sold and delivered in book-entry form only through the facilities of DTC. The Notes sold to U.S. Persons, if any, who are Accredited Investors (but not Qualified Institutional Buyers) will be issued, sold and delivered only in definitive, fully registered form.

**Bear, Stearns & Co. Inc.** **SunTrust Robinson Humphrey**

This Confidential Offering Circular is dated August 18, 2005.

*(continued from previous page)*

In addition to the Notes, the Issuer is also issuing on the Closing Date its Preferred Shares (the **"Preferred Shares"**), as described herein. **The Preferred Shares are not offered hereby**. The Issuer will receive all of the net proceeds of the offering of the Notes, which, together with the proceeds from the sale of the Preferred Shares, will be used by the Issuer to purchase on and about the Closing Date the Portfolio Collateral, consisting of Trust Securities, Bank Subordinated Notes and Secondary Market Trust Securities, all of which will be pledged to secure the Notes as described herein.

The Class A-1L Notes, the Class A-1LA Notes, the Class A-1LB Notes, the Class A-2L Deferrable Notes, the Class A-3L Notes and the Class B-1L Notes will provide for the payment of Periodic Interest (to the extent of funds available therefor and in accordance with the priority of distributions described herein) for each Periodic Interest Accrual Period at the rate of 0.35%, 0.31%, 0.47%, 0.62%, 1.30% and 2.70% *per annum*, respectively, above LIBOR, determined as described herein. The Class A-3A Notes will provide for the payment of Periodic Interest (to the extent of funds available therefor and in accordance with the priority of distributions described herein) for each Periodic Interest Accrual Period (a) relating to each Payment Date up to and including the July 2010 Payment Date, at the rate of 5.8364% *per annum* and (b) relating to each Payment Date occurring after the July 2010 Payment Date, at the rate of 1.30% *per annum* above LIBOR, determined as described herein. The Class A-3B Notes will provide for the payment of Periodic Interest (to the extent of funds available therefor and in accordance with the priority of distributions described herein) for each Periodic Interest Accrual Period (a) relating to each Payment Date up to and including the July 2008 Payment Date, at the rate of 5.7447% *per annum* and (b) relating to each Payment Date occurring after the July 2008 Payment Date, at the rate of 1.30% *per annum* above LIBOR, determined as described herein. On the Closing Date, the Issuer will also issue the Class P1 Combination Notes (the "**Class P1 Combination Notes**"), which will represent an interest in the Class P1 Collateral and a portion of the Preferred Shares as described herein. The Preferred Shares and the Class P1 Combination Notes are not offered hereby.

Principal of the Notes will be payable at the times, in the amounts, and subject to the priority of payment provisions described herein. **The Notes are subject to Initial Deposit Redemption (with respect to the Class A-1 Notes), Mandatory Redemption, Optional Redemption and Auction Call Redemption as described herein.**

The Notes are non-recourse obligations of the Co-Issuers payable solely from the Trust Estate described herein. The Class B-1L Notes, except with respect to the Optimal Principal Payment Amount, are subordinated to the Class A Notes; the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes are subordinated to the Class A-2L Deferrable Notes and the Class A-1 Notes; the Class A-2L Deferrable Notes are subordinated to the Class A-1 Notes; and, in each case, are subordinated to the payment of certain fees and expenses, to the extent described herein. To the extent the assets of the Trust Estate are insufficient to pay in full all amounts due on the Notes, the Co-Issuers shall have no further obligations in respect of the Notes and any sums outstanding and unpaid shall be extinguished. The Class P1 Combination Notes are not secured by the Trust Estate. The Class P1 Collateral is not available to make payments on the Notes.

## NOTICES TO PURCHASERS

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, UNITED STATES PERSONS, UNLESS A REGISTRATION STATEMENT WITH RESPECT THERETO IS THEN EFFECTIVE UNDER THE SECURITIES ACT OR AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS IS AVAILABLE. THE CO-ISSUERS HAVE NO OBLIGATION OR CURRENT INTENTION TO EFFECT SUCH REGISTRATION. THE CO-ISSUERS ARE RELYING ON AN EXCLUSION FROM REGISTRATION UNDER THE INVESTMENT COMPANY ACT, AND NO TRANSFER OF A NOTE MAY BE MADE WHICH WOULD CAUSE THE CO-ISSUERS TO BECOME SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE INVESTMENT COMPANY ACT. THE NOTES ARE ALSO SUBJECT TO CERTAIN OTHER RESTRICTIONS ON TRANSFER DESCRIBED HEREIN. PROSPECTIVE PURCHASERS OF THE NOTES SHOULD PROCEED ON THE ASSUMPTION THAT THEY MUST HOLD THEIR INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THE PURCHASER OF A NOTE, BY ITS ACCEPTANCE THEREOF, REPRESENTS, ACKNOWLEDGES AND AGREES THAT IT WILL NOT RESELL, PLEDGE OR OTHERWISE TRANSFER SUCH NOTE EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND EXCEPT (A) IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, WHOM THE SELLER HAS INFORMED, IN EACH CASE, THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, *PROVIDED* THAT SUCH PURCHASER DELIVERS ALL DOCUMENTS AND CERTIFICATIONS AS THE CO-ISSUERS OR THE TRUSTEE MAY REASONABLY REQUEST; (B) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE AND, IF REQUESTED BY THE CO-ISSUERS, UPON DELIVERY OF AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE CO-ISSUERS AND SUCH OTHER DOCUMENTS AND CERTIFICATIONS AS THE CO-ISSUERS OR THE TRUSTEE MAY REASONABLY REQUEST); (C) TO AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT) IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (IF AVAILABLE AND, IF REQUESTED BY THE CO-ISSUERS, UPON DELIVERY OF AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE ISSUER AND SUCH OTHER DOCUMENTS AND CERTIFICATIONS AS THE CO-ISSUERS OR THE TRUSTEE MAY REASONABLY REQUEST); (D) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, *PROVIDED* THAT SUCH PURCHASER DELIVERS ALL DOCUMENTS AND CERTIFICATIONS AS THE CO-ISSUERS OR THE TRUSTEE MAY REASONABLY REQUEST; OR (E) TO THE CO-ISSUERS OR THEIR AFFILIATES, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. IN ADDITION, THE PURCHASER OF A NOTE, BY ITS ACCEPTANCE THEREOF, REPRESENTS, ACKNOWLEDGES AND AGREES THAT IT WILL NOT RESELL, PLEDGE OR OTHERWISE TRANSFER SUCH NOTE OTHER THAN TO A NON-U.S. PERSON IN AN "OFFSHORE TRANSACTION" IN COMPLIANCE WITH REGULATION S EXCEPT TO A "QUALIFIED PURCHASER" WITHIN THE MEANING OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT IN A TRANSACTION THAT DOES NOT CAUSE THE CO-ISSUERS TO BE REQUIRED TO REGISTER UNDER THE INVESTMENT COMPANY ACT AND WILL ALSO BE DEEMED TO HAVE MADE THE REPRESENTATIONS SET FORTH UNDER "DELIVERY OF THE NOTES; TRANSFER RESTRICTIONS; SETTLEMENT." FURTHER, THE NOTES MAY NOT BE SOLD OR TRANSFERRED UNLESS SUCH SALE OR TRANSFER WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE").

THE NOTES ARE NON-RECOURSE OBLIGATIONS OF THE CO-ISSUERS. PRINCIPAL OF AND INTEREST ON THE NOTES WILL BE PAID SOLELY FROM AND TO THE EXTENT OF THE AVAILABLE PROCEEDS FROM THE DISTRIBUTIONS ON THE PORTFOLIO COLLATERAL, THE SWAP AGREEMENT AND, UNDER CERTAIN CIRCUMSTANCES, AMOUNTS ON DEPOSIT IN THE INITIAL DEPOSIT ACCOUNT, WHICH ARE THE ONLY SOURCE OF PAYMENT OF PRINCIPAL OF, INTEREST ON AND OTHER AMOUNTS PAYABLE IN RESPECT OF THE NOTES. TO THE EXTENT SUCH SOURCES OF PAYMENT ARE INSUFFICIENT TO PAY IN FULL ALL AMOUNTS DUE ON THE NOTES, THE CO-ISSUERS SHALL HAVE NO FURTHER OBLIGATIONS IN RESPECT OF THE NOTES AND ANY SUMS OUTSTANDING AND UNPAID SHALL BE EXTINGUISHED.

FOR THESE REASONS, AMONG OTHERS, AN INVESTMENT IN THE NOTES IS NOT SUITABLE FOR ALL INVESTORS AND IS APPROPRIATE ONLY FOR AN INVESTOR CAPABLE OF (A) ANALYZING AND ASSESSING THE RISKS ASSOCIATED WITH DEFAULTS, LOSSES AND RECOVERIES ON, REINVESTMENT OF PROCEEDS OF AND OTHER CHARACTERISTICS OF, SECURITIES SUCH AS THE PORTFOLIO COLLATERAL, AND (B) BEARING SUCH RISKS AND FINANCIAL CONSEQUENCES THEREOF AS THEY RELATE TO AN INVESTMENT IN THE NOTES.

EACH PURCHASER OF A NOTE BY ITS ACCEPTANCE THEREOF ACKNOWLEDGES THAT IT IS USING ITS INDEPENDENT JUDGMENT IN ASSESSING THE OPPORTUNITIES AND RISKS PRESENTED BY THE NOTES FOR ITS INVESTMENT PORTFOLIO AND IN DETERMINING WHETHER THE ACQUISITION IS SUITABLE AND COMPLIES WITH SUCH PURCHASER'S INVESTMENT OBJECTIVES AND POLICIES.

EXCEPT AS SET FORTH IN THIS CONFIDENTIAL OFFERING CIRCULAR, NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS CONFIDENTIAL OFFERING CIRCULAR AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON. THIS CONFIDENTIAL OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OF THE NOTES OFFERED HEREBY IN ANY JURISDICTION TO ANY PERSON TO WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER IN SUCH JURISDICTION NOR TO ANY PERSON WHO HAS NOT RECEIVED A COPY OF EACH CURRENT AMENDMENT OR SUPPLEMENT HERETO, IF ANY.

THIS CONFIDENTIAL OFFERING CIRCULAR IS FURNISHED ON A CONFIDENTIAL BASIS SOLELY FOR THE PURPOSE OF EVALUATING THE INVESTMENT OFFERED HEREBY. THE INFORMATION IN THIS CONFIDENTIAL OFFERING CIRCULAR HAS BEEN PROVIDED BY THE CO-ISSUERS AND OTHER SOURCES IDENTIFIED HEREIN. THE INFORMATION CONTAINED HEREIN MAY NOT BE REPRODUCED OR USED IN WHOLE OR IN PART FOR ANY OTHER PURPOSE.

THE NOTES ARE BEING OFFERED ONLY TO A LIMITED NUMBER OF INVESTORS (ALL OF WHICH ARE REQUIRED TO BE QUALIFIED INSTITUTIONAL BUYERS OR ACCREDITED INVESTORS) THAT ARE WILLING AND ABLE TO CONDUCT AN INDEPENDENT INVESTIGATION OF THE CHARACTERISTICS OF THE NOTES AND RISKS OF OWNERSHIP OF THE NOTES. IT IS EXPECTED THAT PROSPECTIVE INVESTORS INTERESTED IN PARTICIPATING IN THIS OFFERING WILL CONDUCT AN INDEPENDENT INVESTIGATION OF THE RISKS POSED BY AN INVESTMENT IN THE NOTES. OFFICERS AND OTHER REPRESENTATIVES OF THE CO-ISSUERS AND THE INITIAL PURCHASERS WILL BE AVAILABLE TO ANSWER QUESTIONS CONCERNING THE CO-ISSUERS, THE NOTES AND THE COLLATERAL AND WILL, UPON REQUEST, MAKE AVAILABLE SUCH OTHER INFORMATION AS INVESTORS MAY REASONABLY REQUEST.

THIS CONFIDENTIAL OFFERING CIRCULAR IS NOT INTENDED TO FURNISH LEGAL, REGULATORY, TAX, ACCOUNTING, INVESTMENT OR OTHER ADVICE TO ANY PROSPECTIVE PURCHASER OF THE NOTES. THIS CONFIDENTIAL OFFERING CIRCULAR SHOULD BE REVIEWED BY EACH PROSPECTIVE PURCHASER AND ITS LEGAL, REGULATORY, TAX, ACCOUNTING, INVESTMENT AND OTHER ADVISORS.

INVESTORS WHOSE INVESTMENT AUTHORITY IS SUBJECT TO LEGAL RESTRICTIONS SHOULD CONSULT THEIR OWN LEGAL ADVISORS TO DETERMINE WHETHER AND TO WHAT EXTENT THE NOTES CONSTITUTE LEGAL INVESTMENTS FOR THEM.

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NO INVITATION MAY BE MADE TO THE PUBLIC IN THE CAYMAN ISLANDS TO SUBSCRIBE FOR THE NOTES.

ANY INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE "FMSA") RECEIVED IN CONNECTION WITH THE ISSUE OR SALE OF THE NOTES MAY ONLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FMSA DOES NOT APPLY TO THE CO-ISSUERS.

THE DISTRIBUTION OF THIS CONFIDENTIAL OFFERING CIRCULAR AND THE OFFER OR SALE OF NOTES MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS. NONE OF THE ISSUER, THE CO-ISSUER OR THE INITIAL PURCHASERS REPRESENT THAT THIS DOCUMENT MAY BE LAWFULLY DISTRIBUTED, OR THAT ANY NOTES MAY BE LAWFULLY OFFERED, IN COMPLIANCE WITH ANY APPLICABLE REGISTRATION OR OTHER REQUIREMENTS IN ANY SUCH JURISDICTION, OR PURSUANT TO AN EXEMPTION AVAILABLE THEREUNDER, OR ASSUME ANY RESPONSIBILITY FOR FACILITATING ANY SUCH DISTRIBUTION OR OFFERING. IN PARTICULAR, NO ACTION HAS BEEN TAKEN BY THE ISSUER, THE CO-ISSUER OR THE INITIAL PURCHASERS WHICH WOULD PERMIT A PUBLIC OFFERING OF ANY NOTES OR DISTRIBUTION OF THIS DOCUMENT IN ANY JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, NO NOTES MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS OFFERING CIRCULAR NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THIS OFFERING CIRCULAR OR ANY NOTES COME MUST INFORM THEMSELVES ABOUT AND OBSERVE ANY SUCH RESTRICTIONS.

NOTWITHSTANDING ANY OTHER EXPRESS OR IMPLIED AGREEMENT TO THE CONTRARY, THE ISSUER, THE INITIAL PURCHASERS AND EACH RECIPIENT HEREOF AGREE THAT EACH OF THEM AND EACH OF THEIR EMPLOYEES, REPRESENTATIVES, AND OTHER AGENTS MAY DISCLOSE, IMMEDIATELY UPON COMMENCEMENT OF DISCUSSIONS, TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF THE TRANSACTION AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER TAX ANALYSES) THAT ARE PROVIDED TO ANY OF THEM RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE, EXCEPT WHERE CONFIDENTIALITY IS REASONABLY NECESSARY TO COMPLY WITH U.S. FEDERAL, STATE, OR CAYMAN ISLAND'S SECURITIES LAWS. FOR PURPOSES OF THIS PARAGRAPH, THE TERMS "TAX", "TAX TREATMENT", "TAX STRUCTURE", AND "TAX BENEFIT" ARE DEFINED UNDER TREASURY REGULATION § 1.6011-4(c).

## AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act for resales of Notes, the Co-Issuers will make available to Holders and prospective purchasers who request such information, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, either the Issuer or the Co-Issuer is not a reporting company under Section 13 or Section 15(d) of the Exchange Act or if either the Issuer or the Co-Issuer is not exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. Copies of all such documents may be obtained from the office of the Trustee or the Irish Paying Agent. Neither of the Co-Issuers expect to become such a reporting company or to be so exempt from reporting.

## CONFIDENTIAL OFFERING CIRCULAR SUMMARY

The following summary is qualified in its entirety by reference to the more detailed information appearing elsewhere in this Confidential Offering Circular and the documents referred to herein. A glossary (the **"Glossary"**) of certain defined terms used herein appears as Annex A to this Confidential Offering Circular.

| | |
|---|---|
| The Issuer | Soloso CDO 2005-1 Ltd. is an exempted company incorporated with limited liability under the laws of the Cayman Islands (the **"Issuer"**). The activities of the Issuer will be limited to (i) the acquisition of the Class P1 Collateral and the Portfolio Collateral and other assets permitted by the Indenture, (ii) the issuance of the Notes, which will be secured by the Portfolio Collateral and certain other assets pledged by the Issuer under the Indenture, (iii) the issuance of the Class P1 Combination Notes, the Preferred Shares and its ordinary shares, (iv) entering into the Swap Agreement and (v) other activities incidental to the foregoing, including the ownership of 100% of the stock of the Co-Issuer. |
| The Co-Issuer | Soloso CDO 2005-1 Corp. is a Delaware corporation (the **"Co-Issuer"** and, together with the Issuer, the **"Co-Issuers"**). The Co-Issuer will have no substantial assets. |
| Securities Offered | U.S. $170,000,000 aggregate principal amount of Class A-1L Floating Rate Notes Due October 2035 (the **"Class A-1L Notes"**), U.S. $126,000,000 aggregate principal amount of Class A-1LA Floating Rate Notes Due October 2035 (the **"Class A-1LA Notes"**), U.S. $39,000,000 aggregate principal amount of Class A-1LB Floating Rate Notes Due October 2035 (the **"Class A-1LB Notes"** and, together with the Class A-1L Notes and the Class A-1LA Notes, the **"Class A-1 Notes"**), U.S. $45,500,000 aggregate principal amount of Class A-2L Deferrable Floating Rate Notes Due October 2035 (the **"Class A-2L Deferrable Notes"**), U.S. $40,000,000 aggregate principal amount of Class A-3L Floating Rate Notes Due October 2035 (the **"Class A-3L Notes"**), U.S. $19,000,000 aggregate principal amount of Class A-3A Fixed/Floating Rate Notes Due October 2035 (the **"Class A-3A Notes"**), U.S. $19,000,000 aggregate principal amount of Class A-3B Fixed/Floating Rate Notes Due October 2035 (the **"Class A-3B Notes"** and, together with the Class A-3A Notes, the Class A-3L Notes, the Class A-2L Deferrable Notes and the Class A-1L Notes, the **"Class A Notes"**), and U.S. $30,500,000 aggregate principal amount of Class B-1L Floating Rate Notes Due October 2035 (the **"Class B-1L Notes"** and, together with the Class A Notes, the **"Notes"**).<br><br>The Notes will be issued on the Closing Date pursuant to an indenture (the **"Indenture"**), to be dated as of the Closing Date, among the Co-Issuers and Wells Fargo Bank, National Association, as trustee (the **"Trustee"**) and as securities intermediary. **The Notes will be non-recourse obligations of the Co-Issuers, and all amounts payable in respect of the Notes will be paid solely from and to the extent of the available proceeds from the Trust Estate. To the extent that the assets of the Trust Estate are insufficient to pay all amounts due on the Notes, the Co-Issuers shall have no further obligations in respect of the Notes and any sums outstanding and unpaid shall be extinguished.**<br><br>On the Closing Date, the Issuer will also issue its Preferred Shares (the **"Preferred Shares"**). **The Preferred Shares are not offered hereby.**<br><br>On the Closing Date, the Issuer expects to issue its Class P1 Combination Notes (the "**Class P1 Combination Notes**") pursuant to the Indenture. Each |

| | |
|---|---|
| | Class P1 Combination Note represents a stapled security comprising two components (the Class P1 Principal Component and the Preferred Share Component, as further described herein) and, for all purposes under the Indenture and the Paying and Transfer Agency Agreement, the holders of the Class P1 Combination Notes are holders of the corresponding underlying components. The Class P1 Combination Notes do not represent an additional obligation of the Issuer. The Class P1 Combination Notes are not offered hereby. |
| The Administrator | Maples Finance Limited (the **"Administrator"**) will act as administrator for the Issuer in the Cayman Islands and will perform certain management, administrative and related services for the Issuer. The Administrator maintains its offices at Queensgate House, South Church Street, Grand Cayman, Cayman Islands. |
| Final Maturity Date | The October 2035 Payment Date or such earlier date as the Aggregate Principal Amount of each Class of Notes is paid in full, including in connection with an Optional Redemption or an Auction Call Redemption. |
| Use of Proceeds | The proceeds from the sale of the Notes (the date of such sale being referred to herein as the **"Closing Date"**), together with the proceeds from the sale of the Preferred Shares and the Up Front Payment (defined herein) from the Swap Counterparty, will be used by the Issuer (i) to fund the purchase of the Initial Portfolio Collateral on the Closing Date having an aggregate principal amount (which, for the avoidance of doubt, shall be acquired by the Issuer without any interest that may have accrued on such Portfolio Collateral up to the Closing Date) of at least \$501,680,000 (the **"Initial Portfolio Collateral Amount"**), (ii) to fund the deposit (the **"Deposit"**) in an account with the Trustee (the **"Initial Deposit Account"**) on the Closing Date of cash in an amount expected as of such date to enable the Issuer to purchase on or before October 15, 2005 (the **"Effective Date"**), an Aggregate Principal Amount of Portfolio Collateral equal to at least U.S. \$516,680,000 (the **"Required Portfolio Collateral Amount"**), which amount will be invested in Eligible Investments pending the investment in additional Portfolio Collateral on or before the Effective Date, subject to certain restrictions set forth in the Indenture as described below, (iii) to fund the deposit in an account with the Trustee (the **"Expense Reimbursement Account"**) on the Closing Date of approximately U.S. \$50,000, which amount will be available for payment from time to time of future expenses of the Issuer pending the receipt of collections in respect of the Portfolio Collateral as described herein, and (iv) to fund an account with the Trustee (the **"Closing Expense Account"**) on the Closing Date, which will be used to pay fees and other expenses related to the transaction. A portion of the proceeds from the sale of Class P1 Combination Notes will be used by the Issuer to fund the purchase of the Class P1 Underlying Note. |
| Form, Denominations and Record Dates | The Notes of each Class issued outside the United States pursuant to Regulation S under the Securities Act initially will be evidenced by a temporary global note which will be exchangeable for a permanent global note with respect to such Class as described herein. The Notes issued to Qualified Institutional Buyers in the United States will be issued in book-entry form only through the facilities of DTC. The Notes issued to Accredited Investors in the United States will be issued only in definitive, fully registered form. |

| | |
|---|---|
| | The Notes will be issued in minimum denominations of U.S. $200,000 and integral multiples of U.S. $1.00 in excess thereof. No Notes will be issued in bearer form. The Notes are subject to certain restrictions on transfer. The record date (the **"Record Date"**) for each Payment Date (including the Final Maturity Date) is (a) with respect to the Global Notes, the Business Day immediately preceding such Payment Date, or (b) with respect to the Definitive Notes, the last day of the calendar month preceding the month in which such Payment Date occurs. |
| Class A-1L Notes | *General.* The Co-Issuers expect to issue approximately U.S. $170,000,000 in aggregate principal amount of Class A-1L Notes to be secured by the Portfolio Collateral pursuant to the Indenture.<br><br>*Interest*. Holders of the Class A-1L Notes will be paid Periodic Interest (to the extent of funds available therefor as described herein) for each Periodic Interest Accrual Period at the rate of 0.35% *per annum* above LIBOR (the **"Applicable Periodic Rate"** with respect to the Class A-1L Notes) on the 15th day of January, April, July and October of each calendar year or, if any such day is not a Business Day, then on the next succeeding Business Day (each such date, a **"Payment Date"**), commencing on the October 2005 Payment Date. Interest will be calculated on the basis of a year of 360 days and the actual number of days elapsed. **"LIBOR"** means a floating rate equal to the London interbank offered rate for three-month U.S. Dollar deposits, except (i) with respect to the Periodic Interest paid to the Class A-1 Notes and the Class A-2L Deferrable Notes on the initial Payment Date in October 2005, in which case "LIBOR" means a floating rate equal to the London interbank offered rate for two-month U.S. Dollar deposits, determined as described herein and (ii) with respect to the Periodic Interest paid to the Class A-3L Notes and the Class B-1L Notes on the initial Payment Date in January 2006, in which case "LIBOR" means a floating rate equal to the London interbank offered rate for five-month U.S. Dollar deposits, determined as described herein. Interest will be payable *pari passu* among the Class A-1L Notes, the Class A-1LA Notes and the Class A-1LB Notes and such interest will be payable *pro rata* with respect to each such Class in accordance with the respective Periodic Interest Amount.<br><br>*Principal.* On each Payment Date, the principal of the Class A-1L Notes will be payable (to the extent of funds available therefor and in accordance with the Class A-1 Principal Allocation as described herein) until the Aggregate Principal Amount of the Class A-1L Notes has been paid in full. All outstanding principal of the Class A-1L Notes, together with the other amounts described herein, will be due and payable on the Final Maturity Date. The Class A-1L Notes are also subject to redemption as described herein.<br><br>**"Class A-1 Principal Allocation"** means, with respect to any amount specified as allocable in accordance with the Class A-1 Principal Allocation, an allocation (i) to the Class A-1L Notes, in an amount equal to such amount multiplied by a fraction, the numerator of which is the Aggregate Principal Balance of the Class A-1L Notes and the denominator of which is the Aggregate Principal Balance of the Class A-1 Notes and (ii) to the Class A-1LA Notes, and after the Class A-1LA Notes have been paid in full, to the Class A-1LB Notes, in an amount equal to the remainder of such amount after giving effect to the allocation in clause (i). |

| | |
|---|---|
| | In addition, on each Payment Date occurring on and after the October 2015 Payment Date, the Class A-1L Notes (unless previously redeemed) will receive, subject to the priority of payments and the Class A-1 Principal Allocation described herein and until they are paid in full, principal payments equal to 50% of the amount, if any, of the Adjusted Collateral Interest Collections that would otherwise have been paid to the Issuer to make distributions on the Preferred Shares. |
| Class A-1LA Notes | *General.* The Co-Issuers expect to issue approximately U.S. $126,000,000 in aggregate principal amount of Class A-1LA Notes to be secured by the Portfolio Collateral pursuant to the Indenture.<br><br>*Interest.* Holders of the Class A-1LA Notes will be paid Periodic Interest (to the extent of funds available therefor as described herein) for each Periodic Interest Accrual Period at the rate of 0.31% *per annum* above LIBOR (the **"Applicable Periodic Rate"** with respect to the Class A-1LA Notes) on each Payment Date, commencing on the October 2005 Payment Date. With respect to the Periodic Interest paid to the Class A-1LA Notes on the initial Payment Date in October 2005, "LIBOR" means a floating rate equal to the London interbank offered rate for two-month U.S. Dollar deposits, determined as described herein. Interest will be calculated on the basis of a year of 360 days and the actual number of days elapsed. Interest will be payable *pari passu* among the Class A-1LA Notes, the Class A-1L Notes and the Class A-1LB Notes and such interest will be payable *pro rata* with respect to each such Class in accordance with the respective Periodic Interest Amount.<br><br>*Principal.* On each Payment Date, the principal of the Class A-1LA Notes will be payable (to the extent of funds available therefor and in accordance with the Class A-1 Principal Allocation as described herein) until the Aggregate Principal Amount of the Class A-1LA Notes has been paid in full. All outstanding principal of the Class A-1LA Notes, together with the other amounts described herein, will be due and payable on the Final Maturity Date. The Class A-1LA Notes are also subject to redemption as described herein.<br><br>In addition, on each Payment Date occurring on and after the October 2015 Payment Date, the Class A-1LA Notes (unless previously redeemed) will receive, subject to the priority of payments and the Class A-1 Principal Allocation described herein and until they are paid in full, principal payments equal to 50% of the amount, if any, of the Adjusted Collateral Interest Collections that would otherwise have been paid to the Issuer to make distributions on the Preferred Shares. |
| Class A-1LB Notes | *General.* The Co-Issuers expect to issue approximately U.S. $39,000,000 in aggregate principal amount of Class A-1LB Notes to be secured by the Portfolio Collateral pursuant to the Indenture.<br><br>*Interest.* Holders of the Class A-1LB Notes will be paid Periodic Interest (to the extent of funds available therefor as described herein) for each Periodic Interest Accrual Period at the rate of 0.47% *per annum* above LIBOR (the **"Applicable Periodic Rate"** with respect to the Class A-1LB Notes) on each Payment Date, commencing on the October 2005 Payment Date. With respect to the Periodic Interest paid to the Class A-1LB Notes on the initial Payment Date in October 2005, "LIBOR" means a floating rate equal to the London interbank offered rate for two-month U.S. Dollar deposits, |

determined as described herein. Interest will be calculated on the basis of a year of 360 days and the actual number of days elapsed. Interest will be payable *pari passu* among the Class A-1LB Notes, the Class A-1L Notes and the Class A-1LA Notes and such interest will be payable *pro rata* with respect to each such Class in accordance with the respective Periodic Interest Amount.

*Principal.* On each Payment Date, the principal of the Class A-1LB Notes will be payable (to the extent of funds available therefor and in accordance with the Class A-1 Principal Allocation as described herein) until the Aggregate Principal Amount of the Class A-1LB Notes has been paid in full. All outstanding principal of the Class A-1LB Notes, together with the other amounts described herein, will be due and payable on the Final Maturity Date. The Class A-1LB Notes are also subject to redemption as described herein.

In addition, on each Payment Date occurring on and after the October 2015 Payment Date, the Class A-1LB Notes (unless previously redeemed) will receive, subject to the priority of payments and the Class A-1 Principal Allocation described herein and until they are paid in full, principal payments equal to 50% of the amount, if any, of the Adjusted Collateral Interest Collections that would otherwise have been paid to the Issuer to make distributions on the Preferred Shares.

Class A-2L Deferrable Notes

*General.* The Co-Issuers expect to issue approximately U.S. $45,500,000 in aggregate principal amount of Class A-2L Deferrable Notes to be secured by the Portfolio Collateral pursuant to the Indenture.

*Interest.* **No interest will be payable in respect of the Class A-2L Deferrable Notes on any Payment Date unless the Holders of the Class A-1 Notes have been paid the Cumulative Interest Amount due to them on such Payment Date, each of the Senior Overcollateralization Test and the Senior Interest Coverage Test has been satisfied and, in the case of the Final Maturity Date, until the Aggregate Principal Amount of the Class A-1 Notes has been paid in full.**

The Class A-2L Deferrable Notes will provide for the payment of Periodic Interest (to the extent of funds available therefor and in the order of priority described herein) at a rate of 0.62% above LIBOR (the **"Applicable Periodic Rate"** with respect to the Class A-2L Deferrable Notes) on each Payment Date, commencing on the October 2005 Payment Date. With respect to the Periodic Interest paid to the Class A-2L Deferrable Notes on the initial Payment Date in October 2005, "LIBOR" means a floating rate equal to the London interbank offered rate for two-month U.S. Dollar deposits, determined as described herein. The failure to pay in full Periodic Interest on the Class A-2L Deferrable Notes as a result of insufficient funds being available therefor will not constitute an Event of Default so long as the Class A-1 Notes are Outstanding. Any shortfall in the payment of Periodic Interest to the Class A-2L Deferrable Notes on any Payment Date will be payable, together with interest thereon at the Applicable Periodic Rate, on one or more subsequent Payment Dates (to the extent funds are available therefor and subject to the priority of distribution provisions described herein). Interest will be calculated on the basis of a year of 360 days and the actual number of days elapsed.

| | |
|---|---|
| | *Principal.* On each Payment Date after the Class A-1 Notes have been paid in full, principal will be payable on the Class A-2L Deferrable Notes (to the extent of funds available therefor as described herein) until the Payment Date on which the Aggregate Principal Amount of the Class A-2L Deferrable Notes is paid in full. All outstanding principal of the Class A-2L Deferrable Notes, together with the other amounts described herein, will be due and payable on the Final Maturity Date. The Class A-2L Deferrable Notes are subordinated in right of payment to the Class A-1 Notes to the extent described herein. The Class A-2L Deferrable Notes are also subject to redemption as described herein.<br><br>In addition, on each Payment Date occurring on and after the October 2015 Payment Date and after the Class A-1 Notes have been paid in full, the Class A-2L Deferrable Notes (unless previously redeemed) will receive, subject to the priority of payments described herein payments on account of principal in an amount equal to 50% of the amount, if any, of the Adjusted Collateral Interest Collections that would otherwise have been paid on such Payment Date to the Issuer to make distributions on the Preferred Shares until the Aggregate Principal Amount of the Class A-2L Deferrable Notes is paid in full. |
| Class A-3L Notes | *General.* The Co-Issuers expect to issue approximately U.S. $40,000,000 in aggregate principal amount of Class A-3L Notes to be secured by the Portfolio Collateral pursuant to the Indenture.<br><br>*Interest.* **No interest will be payable in respect of the Class A-3L Notes on any Payment Date unless the Holders of the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid the Cumulative Interest Amount due to them on such Payment Date, the Senior Overcollateralization Test, the Senior Interest Coverage Test and the Class A-2 Overcollateralization Test have been satisfied and, in the case of the Final Maturity Date, until the Aggregate Principal Amount of the Class A-1 Notes and the Class A-2L Deferrable Notes has been paid in full.**<br><br>The Class A-3L Notes will provide for the payment of Periodic Interest (to the extent of funds available therefor and in the order of priority described herein) at a rate of 1.30% above LIBOR (the **"Applicable Periodic Rate"** with respect to the Class A-3L Notes) on each Payment Date, commencing on the second Payment Date, which will be the January 2006 Payment Date. With respect to the Periodic Interest paid to the Class A-3L Notes on the initial Payment Date in January 2006, "LIBOR" means a floating rate equal to the London interbank offered rate for five-month U.S. Dollar deposits, determined as described herein. The failure to pay in full Periodic Interest on the Class A-3L Notes as a result of insufficient funds being available therefor will not constitute an Event of Default so long as the Class A-1 Notes and the Class A-2L Deferrable Notes are Outstanding. Any shortfall in the payment of Periodic Interest to the Class A-3L Notes on any Payment Date will be payable, together with interest thereon at the Applicable Periodic Rate, on one or more subsequent Payment Dates (to the extent funds are available therefor and subject to the priority of distribution provisions described herein). Interest will be calculated on the basis of a year of 360 days and the actual number of days elapsed. Interest will be payable *pari passu* among the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes and such interest will be payable *pro rata* with respect to each such Class in accordance with the respective Periodic Interest Amount. |

*Principal.* On each Payment Date after the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid in full, principal will be payable on the Class A-3L Notes (to the extent of funds available therefor as described herein) until the Payment Date on which the Aggregate Principal Amount of the Class A-3L Notes is paid in full. All outstanding principal of the Class A-3L Notes, together with the other amounts described herein, will be due and payable on the Final Maturity Date. Principal will be payable *pro rata* among the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes. The Class A-3L Notes are subordinated in right of payment to the Class A-1 Notes and the Class A-2L Deferrable Notes to the extent described herein. The Class A-3L Notes are also subject to redemption as described herein.

In addition, on each Payment Date occurring on and after the October 2015 Payment Date and after the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid in full, the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes will receive, *pro rata*, subject to the priority of payments described herein and until they are paid in full, principal payments equal to 50% of the amount, if any, of the Adjusted Collateral Interest Collections that would otherwise have been paid to the Issuer to make distributions on the Preferred Shares.

Class A-3A Notes

*General.* The Co-Issuers expect to issue approximately $19,000,000 in aggregate principal amount of Class A-3A Notes to be secured by the Portfolio Collateral pursuant to the Indenture.

*Interest.* **No interest will be payable in respect of the Class A-3A Notes on any Payment Date unless the Holders of the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid the Cumulative Interest Amount due to them on such Payment Date, the Senior Overcollateralization Test, the Senior Interest Coverage Test and the Class A-2 Overcollateralization Test have been satisfied and, in the case of the Final Maturity Date, until the Aggregate Principal Amount of the Class A-1 Notes and the Class A-2L Deferrable Notes has been paid in full.**

The Class A-3A Notes will provide for the payment of Periodic Interest (to the extent of funds available therefor and in the order of priority described herein) on each Payment Date at a rate of (a) from the Closing Date to and including the July 2010 Payment Date, 5.8364% *per annum* and (b) after the July 2010 Payment Date, 1.30% above LIBOR (the **"Applicable Periodic Rate"** with respect to the Class A-3A Notes), commencing on the second Payment Date, which will be the January 2006 Payment Date. The failure to pay in full Periodic Interest on the Class A-3A Notes as a result of insufficient funds being available therefor will not constitute an Event of Default so long as the Class A-1 Notes and the Class A-2L Deferrable Notes are Outstanding. Any shortfall in the payment of Periodic Interest to the Class A-3A Notes on any Payment Date will be payable, together with interest thereon at the Applicable Periodic Rate, on one or more subsequent Payment Dates (to the extent funds are available therefor and subject to the priority of distribution provisions described herein). Interest will be calculated on the basis of (a) from the Closing Date to and including the January 2006 Payment Date, the number of days elapsed in a 360-day year of twelve 30-day months. (b) from the January 2006 Payment Date to and including the July 2010 Payment Date, a year of 360 days and four 90-day Periodic Interest Accrual Periods and (c) after the July 2010 Payment Date, a

| | |
|---|---|
| | year of 360 days and the actual number of days elapsed. Interest will be payable *pari passu* between the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes and such interest will be payable *pro rata* with respect to each such Class in accordance with the respective Periodic Interest Amount.<br><br>*Principal.* On each Payment Date after the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid in full, principal will be payable on the Class A-3A Notes (to the extent of funds available therefor as described herein) until the Payment Date on which the Aggregate Principal Amount of the Class A-3A Notes is paid in full. All outstanding principal of the Class A-3A Notes, together with the other amounts described herein, will be due and payable on the Final Maturity Date. Principal will be payable *pro rata* between the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes. The Class A-3A Notes are subordinated in right of payment to the Class A-1 Notes and the Class A-2L Deferrable Notes to the extent described herein. The Class A-3A Notes are also subject to redemption as described herein.<br><br>In addition, on each Payment Date occurring on and after the October 2015 Payment Date and after the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid in full, the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes will receive, *pro rata*, subject to the priority of payments described herein and until they are paid in full, principal payments equal to 50% of the amount, if any, of the Adjusted Collateral Interest Collections that would otherwise have been paid to the Issuer to make distributions on the Preferred Shares. |
| Class A-3B Notes | *General.* The Co-Issuers expect to issue approximately U.S. $19,000,000 in aggregate principal amount of Class A-3B Notes to be secured by the Portfolio Collateral pursuant to the Indenture.<br><br>*Interest.* **No interest will be payable in respect of the Class A-3B Notes on any Payment Date unless the Holders of the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid the Cumulative Interest Amount due to them on such Payment Date, the Senior Overcollateralization Test, the Senior Interest Coverage Test and the Class A-2 Overcollateralization Test have been satisfied and, in the case of the Final Maturity Date, until the Aggregate Principal Amount of the Class A-1 Notes and the Class A-2L Deferrable Notes has been paid in full.**<br><br>The Class A-3B Notes will provide for the payment of Periodic Interest (to the extent of funds available therefor and in the order of priority described herein) on each Payment Date at a rate of (a) from the Closing Date to and including the July 2008 Payment Date, 5.7447% *per annum* and (b) after the July 2008 Payment Date, 1.30% above LIBOR (the **"Applicable Periodic Rate"** with respect to the Class A-3B Notes), commencing on the second Payment Date, which will be the January 2006 Payment Date. The failure to pay in full Periodic Interest on the Class A-3B Notes as a result of insufficient funds being available therefor will not constitute an Event of Default so long as the Class A-1 Notes and the Class A-2L Deferrable Notes are Outstanding. Any shortfall in the payment of Periodic Interest to the Class A-3B Notes on any Payment Date will be payable, together with interest thereon at the Applicable Periodic Rate, on one or more subsequent Payment Dates (to the extent funds are available therefor and subject to the priority of distribution |

provisions described herein). Interest will be calculated on the basis of (a) from the Closing Date to and including the January 2006 Payment Date, the number of days elapsed in a 360-day year of twelve 30-day months. (b) from the January 2006 Payment Date to and including the July 2008 Payment Date, a year of 360 days and four 90-day Periodic Interest Accrual Periods and (c) after the July 2008 Payment Date, a year of 360 days and the actual number of days elapsed. Interest will be payable *pari passu* between the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes and such interest will be payable *pro rata* with respect to each such Class in accordance with the respective Periodic Interest Amount.

*Principal.* On each Payment Date after the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid in full, principal will be payable on the Class A-3B Notes (to the extent of funds available therefor as described herein) until the Payment Date on which the Aggregate Principal Amount of the Class A-3B Notes is paid in full. All outstanding principal of the Class A-3B Notes, together with the other amounts described herein, will be due and payable on the Final Maturity Date. Principal will be payable *pro rata* between the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes. The Class A-3B Notes are subordinated in right of payment to the Class A-1 Notes and the Class A-2L Deferrable Notes to the extent described herein. The Class A-3B Notes are also subject to redemption as described herein.

In addition, on each Payment Date occurring on and after the October 2015 Payment Date and after the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid in full, the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes will receive, *pro rata*, subject to the priority of payments described herein and until they are paid in full, principal payments equal to 50% of the amount, if any, of the Adjusted Collateral Interest Collections that would otherwise have been paid to the Issuer to make distributions on the Preferred Shares.

Class B-1L Notes

*General.* The Co-Issuers expect to issue approximately $30,500,000 in aggregate principal amount of Class B-1L Notes to be secured by the Portfolio Collateral pursuant to the Indenture.

*Interest.* **No interest will be payable in respect of the Class B-1L Notes on any Payment Date unless the Holders of the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid the Cumulative Interest Amount due to them on such Payment Date, the Holders of the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes have been paid the Periodic Interest Amount (or, after the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid in full, the Cumulative Interest Amount) due to them on such Payment Date, the Senior Overcollateralization Test, the Class A-2 Overcollateralization Test, the Class A-3 Overcollateralization Test (on and after the October 2015 Payment Date) and the Senior Interest Coverage Test have been satisfied and, in the case of the Final Maturity Date, until the Aggregate Principal Amount of the Class A Notes has been paid in full.**

The Class B-1L Notes will provide for the payment of Periodic Interest (to the extent of funds available therefor and in the order of priority described herein) at a rate of 2.70% above LIBOR (the **"Applicable Periodic Rate"** with respect to the Class B-1L Notes) on each Payment Date, commencing on the second Payment Date, which will be the January 2006 Payment Date. With respect to the Periodic Interest paid to the Class B-1L Notes on the initial Payment Date in January 2006, "LIBOR" means a floating rate equal to the London interbank offered rate for five-month U.S. Dollar deposits, determined as described herein. The failure to pay in full Periodic Interest on the Class B-1L Notes as a result of insufficient funds being available therefor will not constitute an Event of Default so long as the Class A Notes are Outstanding. Any shortfall in the payment of Periodic Interest to the Class B-1L Notes on any Payment Date will be payable, together with interest thereon at the Applicable Periodic Rate, on one or more subsequent Payment Dates (to the extent funds are available therefor and subject to the priority of distribution provisions described herein). Interest will be calculated on the basis of a year of 360 days and the actual number of days elapsed.

*Principal.* On each Payment Date after the Class A Notes have been paid in full, principal will be payable on the Class B-1L Notes (to the extent of funds available therefor as described herein) until the Payment Date on which the Aggregate Principal Amount of the Class B-1L Notes is paid in full. All outstanding principal of the Class B-1L Notes, together with the other amounts described herein, will be due and payable on the Final Maturity Date. The Class B-1L Notes, except with respect to the Optimal Principal Payment Amount, are subordinated in right of payment to the Class A Notes to the extent described herein. The Class B-1L Notes are also subject to redemption as described herein.

In addition, on each Payment Date occurring on and after the October 2015 Payment Date and after the Class A Notes have been paid in full, the Class B-1L Notes will receive, subject to the priority of payments described herein and until they are paid in full, principal payments equal to 50% of the amount, if any, of the Adjusted Collateral Interest Collections that would otherwise have been paid to the Issuer to make distributions on the Preferred Shares.

Application of Funds

On each Payment Date and on the Final Maturity Date, Collateral Interest Collections and Collateral Principal Collections, to the extent of Available Funds in the Collection Account, will be applied by the Trustee in the manner and order of priority set forth herein under "Description of the Notes – Payments on the Notes; Priority of Distributions."

Overcollateralization Tests

The Overcollateralization Tests are applicable until the Notes are retired and all amounts payable in respect thereof are paid, and are satisfied if each of (i) the Senior Overcollateralization Ratio is at least equal to 115.0%, (ii) the Class A-2 Overcollateralization Ratio is at least equal to 112.0%, (iii) on and after the October 2015 Payment Date, the Class A-3 Overcollateralization Ratio is at least equal to 105.0% and (iv) the Class B Overcollateralization Ratio is at least equal to 103.5%. For the avoidance of doubt, the Class A-3 Overcollateralization Test is not applicable before the October 2015 Payment Date.

Interest Coverage Tests

The Interest Coverage Tests are applicable on and after the second Payment Date until the Notes are retired and all amounts payable in respect thereof are paid, and are satisfied if each of (i) the Senior Interest Coverage Ratio is at least equal to 115.0% and (ii) the Subordinate Interest Coverage Ratio is at least equal to 103.5%.

| | |
|---|---|
| O/C Redemption | If the applicable Overcollateralization Test or Interest Coverage Test is not satisfied, amounts that are junior in right of payment to such test as described under "Description of the Notes – Payment on the Notes; Priority of Distributions", will be applied by the Issuer to the redemption of the Notes in the order described herein until each such Class is paid in full, in each case on a *pro rata* basis among the Noteholders of the applicable Class (an **"O/C Redemption"**) to the extent necessary to satisfy such Overcollateralization Test or Interest Coverage Test. See "Description of the Notes – O/C Redemption." |
| Rating Confirmation Failure Redemption | If, on the Effective Date, the Portfolio Collateral purchased by the Issuer does not consist of the same items of Portfolio Collateral listed in Schedule A to the Indenture, then the Issuer will request that each Rating Agency confirm after the Effective Date that it has not reduced or withdrawn the then-current ratings assigned by it to a Class of Notes (a **"Rating Confirmation"**). If the Issuer is unable to obtain a Rating Confirmation by the 30th day after the Effective Date (a **"Rating Confirmation Failure"**), on the next Payment Date and on each subsequent Payment Date, amounts that are junior in right of payment to such Rating Confirmation Failure, as described under "Description of the Notes–Payments on the Notes; Priority of Distributions", will be applied to the redemption of the Notes, in the order and according to the priorities described herein (a **"Rating Confirmation Failure Redemption"**), to the extent necessary to receive a Rating Confirmation, in accordance with the provisions described herein. |
| Initial Deposit Redemption | The Issuer will use commercially reasonable efforts to acquire by October 15, 2005, Portfolio Collateral having an Aggregate Principal Amount equal at least to the Required Portfolio Collateral Amount. To the extent that the full amount of the Deposit is not invested in Portfolio Collateral having an Aggregate Principal Amount at least equal to the Required Portfolio Collateral Amount in accordance with the guidelines described herein on or before the Effective Date, an amount (not in excess of the amount of the Deposit not so invested) equal to the difference between the Required Portfolio Collateral Amount and the par amount of Portfolio Collateral actually acquired will be applied by the Issuer on November 1, 2005 (the **"Initial Deposit Redemption Date"**) to the redemption of the Class A-1 Notes in accordance with the Class A-1 Principal Allocation until each such Class is paid in full (an **"Initial Deposit Redemption"**). See "Description of the Notes—Initial Deposit Redemption." |
| Optional Redemption | On any Payment Date on or after the Payment Date occurring in July 2010 (the **"Optional Redemption Date,"** which date shall be considered the Final Maturity Date) the Issuer may, at the direction of the holders of at least 66-2/3% of the Preferred Shares, elect to sell the Portfolio Collateral and use the proceeds of such sale to redeem the Notes (an **"Optional Redemption"**), in whole but not in part, at a price equal to the Optional Redemption Price. See "Description of the Notes – Optional Redemption." |
| Auction Call Redemption | On each Payment Date, beginning with the July 2015 Payment Date (each such date, an **"Auction Call Redemption Date,"** which date shall be considered the Final Maturity Date), (unless previously redeemed) the Notes will be redeemable (an **"Auction Call Redemption"**), in whole but not in part, from the sale proceeds from all of the Portfolio Collateral and the Balance of Eligible Investments and cash in the Collection Account and the Expense Reimbursement Account, at the applicable Auction Call Note Redemption Price, but only if such sale proceeds and all other available funds |

are equal to or exceed the Auction Call Redemption Amount. To the extent that there are any amounts remaining in excess of the Auction Call Redemption Amount, such excess amounts will be paid into the account maintained by the Paying and Transfer Agent pursuant to the Paying and Transfer Agency Agreement for the benefit of the holders of the Preferred Shares.

Any auction conducted in connection with an Auction Call Redemption (an **"Auction"**) shall be carried out in accordance with the auction procedures set forth in the Indenture (the **"Auction Procedures"**). Pursuant to the Indenture, the Issuer has designated the Trustee as the Auction Agent (in such capacity, the **"Auction Agent"**) in connection with the sale of the Portfolio Collateral with respect to the Auction Call Redemption. If any single bid, or the aggregate amount of multiple bids, together with the Balance of all the Eligible Investments and cash in the Collection Account and Expense Reimbursement Account, does not equal or exceed the Auction Call Redemption Amount, or if there is a failure at settlement, then the redemption of Notes on the related Payment Date will not occur. If the Auction Call Redemption is not successfully completed on any Auction Call Redemption Date, the Auction Agent shall conduct an Auction in accordance with the Auction Procedures on each subsequent Auction Call Redemption Date until an Auction Call Redemption is completed successfully. See "Description of the Notes—Auction Call Redemption."

Optimal Principal Payment Amount

On any Payment Date, after satisfaction of the Overcollateralization Tests and the Interest Coverage Tests and to the extent funds are available therefor, Collateral Interest Collections will be applied to make principal payments on the Notes in the order of priority set forth herein under "Description of the Notes – Payments on the Notes; Priority of Distributions" and in an amount not to exceed the Optimal Principal Payment Amount.

Security for the Notes

The Notes are limited recourse obligations of the Co-Issuers with recourse therefor limited solely to any funds and other assets available in the Trust Estate, including the Portfolio Collateral, the Swap Agreement and the proceeds therefrom. All payments on the Notes are subject to the priority of distribution provisions described herein.

The Notes will be secured by the Trust Estate, consisting of all property of the Issuer, including the Portfolio Collateral, the Swap Agreement, the Collection Account, the Initial Deposit Account, the Expense Reimbursement Account, the Initial Period Reserve Account and the Closing Expense Account (collectively, the **"Trust Estate"**). References to the Collection Account, the Initial Deposit Account, the Expense Reimbursement Account, the Initial Period Reserve Account and the Closing Expense Account, when used with respect to the contents of the Trust Estate, shall include all proceeds of such Accounts and all Eligible Investments purchased with funds on deposit in such Accounts. The Class P1 Collateral is not part of the Trust Estate and will not be available to make distributions on the Notes. The Class P1 Combination Notes are not secured by the Trust Estate.

Portfolio Collateral

The Portfolio Collateral will consist of the following:

(a) trust preferred securities (the **"Trust Securities"**) issued by wholly-owned trust subsidiaries of Affiliated HCs (each, a **"Trust Securities Issuer"**), sold to the Issuer in the original issuance and placed by Bear, Stearns & Co. Inc. and SunTrust Capital Markets, Inc.;

(b) subordinated notes with an original maturity not exceeding 30 years (the **"Bank Subordinated Notes"**) issued by any bank, thrift, other depository institution or its parent holding company (the **"Bank Note Issuers"**); and

(c) trust preferred securities (the **"Secondary Market Trust Securities"** or **"SMTS"** and, together with the Trust Securities and the Bank Subordinated Notes, the **"Portfolio Collateral"**) issued by trust subsidiaries of Affiliated HCs (each, a **"SMTS Issuer"** and, together with the Trust Securities Issuers and the Bank Note Issuers, the **"Portfolio Collateral Issuers"**), which are to be acquired by the Issuer in the secondary market.

The Portfolio Collateral will secure the Notes. Payments received by the Issuer in respect of the Portfolio Collateral and payments, if any, received by the issuer under the Swap Agreement will be the only source of payments on the Notes. The Trust Securities and the SMTS are issued by trust subsidiaries of holding companies of depositary institutions (or, in the case of one Trust Security that may be acquired on or after the Closing Date, of a trust bank institution) whose deposits (other than with respect to one Trust Security that may be acquired on or after the Closing Date) are generally insured by FDIC (each such holding company, an **"Affiliated HC"**). Each Portfolio Collateral Issuer (other than the Bank Note Issuers) will use or has used the proceeds of the sale of its Trust Securities and SMTS, as applicable, to purchase junior subordinated deferrable interest debentures issued by its Affiliated HC. The subordinated junior deferrable interest debentures owned by the Portfolio Collateral Issuers (other than the Bank Note Issuers) are referred to, individually, as **"Corresponding Debentures"** and **"SMTS Corresponding Debentures"**, respectively, and, collectively, the **"Debentures"**. The only source of cash for each Portfolio Collateral Issuer (other than the Bank Note Issuers) to make payments on its Trust Securities or SMTS, as applicable, will be payments it receives from its Affiliated HC on the related Debentures.

*Trust Securities*. Distributions on the Trust Securities will be payable quarterly or semi-annually in arrears on each Trust Securities Payment Date. Upon the occurrence of certain events, distributions on Trust Securities may generally be deferred for up to 20 consecutive quarterly periods, after which all accrued and unpaid interest, becomes due and payable. See "Security for the Notes – Description of the Trust Securities – Distributions." The payments on the Trust Securities will be guaranteed by the related Affiliated HC to the extent described herein (each, a **"Guarantee"**). See "Security for the Notes – Description of the Trust Securities – Guarantee."

The Trust Securities issued by each Trust Securities Issuer will be redeemed when the Corresponding Debentures issued by its Affiliated HC are paid at maturity date thereof. Such Corresponding Debentures may also be redeemed (a) in whole or (provided that all accrued and unpaid interest has been paid on such Corresponding Debentures for all interest periods terminating on or prior to such redemption date) in part, on or after the applicable Accelerated Maturity Date or (b) in whole but not in part, on a Payment Date not more than 90 days after the occurrence of a Special Event upon, if such redemption occurs prior to the Accelerated Maturity Date, the payment of a premium as described herein. The right of an Affiliated HC to redeem its Corresponding Debentures is subject to receipt of prior approval from the Applicable Regulator, if then required under applicable capital guidelines or policies of the Applicable Regulator. See "Security for the Notes – Description of the Trust Securities – Redemption and Prepayments."

| | |
|---|---|
| | Each Affiliated HC has the right at any time to dissolve its subsidiary Trust Securities Issuer (including, without limitation, upon the occurrence of a Special Event), subject to the receipt by such Affiliated HC of prior approval from the Applicable Regulator, but only after satisfaction of such Trust Securities Issuer's liabilities to its creditors, and, if applicable, to cause the Corresponding Debentures held by such Trust Securities Issuer to be distributed to the holder of its Trust Securities (which will include the Issuer). In such event, such Corresponding Debentures will be treated as if they were the related Trust Securities for all purposes under the Indenture.<br><br>*Secondary Market Trust Securities*. The Secondary Market Trust Securities or SMTS, if any, will be purchased by the Issuer in market transactions from the sellers thereof, who will not be the issuers of such securities. SMTS will be trust preferred or similar capital securities issued by trust subsidiaries of bank holding companies and thrift holding companies. SMTS will generally have terms similar to the Trust Securities, but may have, among others, different coupon rates, call premiums, payment date frequencies and maturity dates.<br><br>*Bank Subordinated Notes*. The Issuer may acquire Bank Subordinated Notes on or after the Closing Date. Such Bank Subordinated Notes will have an original maturity not exceeding 30 years and will be fixed or floating rate subordinated notes, payable quarterly or semi-annually until their stated maturity, but may be optionally redeemed at par, in whole or in part, prior to such stated maturity.<br><br>The Issuer will acquire all of the Initial Portfolio Collateral from Bear, Stearns & Co. Inc. and STI Investment Management, Inc. (an affiliate of SunTrust Capital Markets, Inc.) on the Closing Date at negotiated prices acceptable to the Issuer and the remaining Portfolio Collateral may be acquired from or through Bear, Stearns & Co. Inc. and SunTrust Capital Markets, Inc. at negotiated prices acceptable to the Issuer. Between the Closing Date and the Effective Date, purchases of additional Portfolio Collateral from amounts on deposit in the Initial Deposit Account may be made only with the approval of the majority of the Preferred Shares as described herein (excluding for this purpose any Preferred Shares held by Bear, Stearns & Co. Inc., SunTrust Capital Markets, Inc. or any Affiliate thereof) and will be required to meet the criteria described herein. See "Security for the Notes—Portfolio Collateral Criteria." |
| Swap Agreement | On the Closing Date, the Issuer and SunTrust Bank (the **"Swap Counterparty"**) will execute and deliver a swap agreement (the **"Swap Agreement"**). The Swap Agreement will provide that the Issuer will pay to the Swap Counterparty on each Payment Date on and after the Payment Date occurring in January 2006 through the Payment Date occurring in July 2015, interest on a specified notional amount at a rate specified in Annex C attached hereto, in exchange for which the Swap Counterparty will pay to the Issuer (i) interest on such notional amount at a rate equal to LIBOR for the related Periodic Interest Accrual Period and (ii) an up front payment on the Closing Date in the amount of U.S. $1,500,000 (the **"Up Front Payment"**). See "Special Considerations – Interest Rate Risk," "—Swap Agreement" and "The Swap Agreement." |
| Accounts | All Collections (together with reinvestment income thereon) will be remitted to the Trustee and deposited into the Collection Account and will be available, to the extent described herein, for application in the manner and for |

| | |
|---|---|
| | the purposes as described herein. All cash pledged to the Trustee on the Closing Date which is to be subsequently invested in Portfolio Collateral on or before the Effective Date will be deposited into the Initial Deposit Account. A Closing Expense Account will be established by the Trustee to pay organizational, structuring, legal and offering fees and other expenses related to the transaction. An Expense Reimbursement Account of U.S. $50,000 will be established by the Trustee for the payment of Issuer administrative expenses which become due and must be paid between Payment Dates. Any amounts withdrawn from the Expense Reimbursement Account will be reimbursed on each Payment Date in accordance with the priority of distribution provisions described herein. An Initial Period Reserve Account will be established by the Issuer with the Trustee into which will be deposited on the October 2005 Payment Date the amounts described under "Description of the Notes—Payments on the Notes; Priority of Distributions." Funds held in such Accounts will be invested in Eligible Investments. |
| The Trustee | Wells Fargo Bank, National Association, as Trustee under the Indenture. The Trustee maintains its Corporate Trust Office at Wells Fargo Center, Sixth Street and Marquette Avenue, Minneapolis, Minnesota, 55479, at which the Notes may be surrendered for payment or for transfer or exchange, and at 9062 Old Annapolis Road, Columbia, Maryland 21045-1951, for all other purposes. |
| Independent Accountants | Deloitte & Touche LLP will periodically perform certain procedures with respect to the Portfolio Collateral and the compliance with the Overcollateralization Tests and the Interest Coverage Tests as required by the Indenture. |
| Certain Federal Income Tax Consequences | *Federal Income Tax Consequences to U.S. Holders of Notes*. The Notes should be treated as debt of the Issuer for United States federal income tax purposes. Under rules applicable to original issue discount, although not free from doubt, a U.S. Holder of a Class A-2L Deferrable Note, a Class A-3L Note, a Class A-3A Note, a Class A-3B Note or a Class B-1L Note should include original issue discount in gross income as it accrues according to a constant yield method based on daily compounding, regardless of such Holder's method of accounting. See "Certain Tax Considerations."<br><br>*Federal Income Tax Consequences to Non-U.S. Holders.* A Non-U.S. Holder that has no connection with the United States other than holding its Note should not be subject to United States federal withholding tax (provided certain tax representations are made) or income tax on payments of principal and interest (including original issue discount) in respect of a Note. See "Certain Tax Considerations – U.S. Federal Income Tax Consequences to Non-U.S. Holders."<br><br>*Federal Income Tax Consequences to the Issuer.* The Issuer generally expects not to be subject to United States federal withholding tax (provided certain tax representations are made) or income tax on interest income (including original issue discount) or gain from the Portfolio Collateral or the Eligible Investments. See "Certain Tax Considerations – U.S. Federal Income Tax Consequences to the Issuer." |
| Certain ERISA Matters | Fiduciaries and other persons investing "plan assets" of employee benefit or other plans subject to the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), or Section 4975 of the Internal Revenue Code of 1986, as amended (the "**Code**") (each, a "**Plan**"), should consider the |

| | |
|---|---|
| | fiduciary investment standards and prohibited transaction rules of ERISA and Section 4975 of the Code before authorizing an investment of "plan assets" of any Plan in the Notes. Each person purchasing a Note will be deemed to have made certain representations regarding the prohibited transaction rules of ERISA and Section 4975 of the Code. See "Certain ERISA Considerations." |
| Legal Investment | Institutions whose investment activities are subject to legal investment laws and regulations or to review by certain regulatory authorities may be subject to conditions on investment in the Notes. See "Certain Legal Investment Considerations." |
| Rating of Notes | It is a condition of issuance that the Class A-1 Notes be rated "Aaa" by Moody's Investors Service, Inc. (**"Moody's"**), "AAA" by Fitch, Inc. (**"Fitch"**), and "AAA" by Standard & Poor's Ratings Services (**"S&P"**), the Class A-2L Deferrable Notes be rated at least "Aa1" by Moody's, at least "AA" by Fitch and at least "AA-" by S&P, the Class A-3L Notes be rated at least "A3" by Moody's and at least "A-" by Fitch, the Class A-3A Notes be rated at least "A3" by Moody's and at least "A-" by Fitch, the Class A-3B Notes be rated at least "A3" by Moody's and at least "A-" by Fitch, and the Class B-1L Notes be rated at least "Baa3" by Moody's and at least "BBB" by Fitch. Each of Moody's, Fitch and S&P is sometimes referred to herein as a **"Rating Agency**." |
| | **The ratings of the Class A-1 Notes by S&P address solely the likelihood of timely payment of the Periodic Interest Amount on and the ultimate payment of the Aggregate Principal Amount of the Class A-1 Notes. The rating of the Class A-2L Deferrable Notes by S&P address solely the likelihood of the ultimate payment of the Cumulative Interest Amount and the Aggregate Principal Amount of the Class A-2L Deferrable Notes. The ratings of the Notes by Fitch address solely the likelihood of timely payment of the Periodic Interest Amount on and the ultimate payment of the Aggregate Principal Amount of the Class A-1 Notes and the ultimate payment of the Cumulative Interest Amount and the Aggregate Principal Amount of the Class A-2L Deferrable Notes, the Class A-3L Notes, the Class A-3A Notes, the Class A-3B Notes and the Class B-1L Notes. The ratings of the Notes by Moody's address the ultimate cash receipt of all required payments as provided by the governing documents, and are based on the expected loss to the Noteholders of each Class relative to the promise of receiving the present value of such payments. A rating is not a recommendation to purchase, hold or sell securities, in as much as such rating does not comment as to market price or suitability for a particular investor and may be subject to revision or withdrawal at any time by the assigning rating organization.** |
| | Security ratings are subject to revision or withdrawal at any time by the assigning Rating Agency. In the event that any rating initially assigned to the Notes is subsequently lowered for any reason, no person or entity is obligated to provide any additional support or credit enhancement with respect to the Notes. The Issuer has not requested a rating on the Notes by any rating agencies other than Moody's, Fitch and S&P, although data with respect to the Portfolio Collateral may have been provided to other rating agencies solely for informational purposes. There can be no assurance that, if a rating is assigned to the Notes by any other rating agency, such rating will be as high as that assigned by the applicable Rating Agencies. |

| | |
|---|---|
| Listing | Application will be made to the Irish Stock Exchange to admit the Notes to the Daily Official List. There can be no assurance that such admission will be granted. See "Listing and General Information." |

## SPECIAL CONSIDERATIONS

Prospective Holders of Notes should consider, among other things, the following factors in connection with the purchase of the Notes.

1. Non-recourse Obligations. The Notes will be non-recourse obligations of the Co-Issuers payable solely from the Trust Estate (including the Portfolio Collateral) pledged to secure the Notes. The Issuer, as a special purpose Cayman Islands exempted company, will have no significant assets other than the Portfolio Collateral, the Swap Agreement, the Collection Account, the Initial Deposit Account, the Expense Reimbursement Account, the Initial Period Reserve Account and the Closing Expense Account. The Co-Issuer will have no substantial assets, and no other person or entity except for the Co-Issuers will be obligated to make any payments on the Notes. Consequently, Holders of the Notes must rely solely upon distributions on the Portfolio Collateral, the Swap Agreement, the Collection Account, the Initial Deposit Account, the Expense Reimbursement Account, the Closing Expense Account and Eligible Investments for the payment of amounts payable in respect of the Notes. If distributions on such collateral are insufficient to make payments on the Notes, no other assets of the Issuer or any other person or entity will be available for the payment of the deficiency, and the Co-Issuers shall have no further obligation to pay such deficiency and any sums outstanding and unpaid shall be extinguished. The Class P1 Combination Notes are not secured by the Trust Estate and the Notes are not entitled to the Class P1 Collateral.

2. Subordination. Payments of principal and interest on the Notes are subject to the priority of distribution provisions described herein. The Class A-1 Notes are subordinated to the payment of certain fees and expenses as described herein. The Class A-2L Deferrable Notes are subordinated to the Class A-1L Notes; the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes are subordinated to the Class A-1L Notes and the Class A-2L Deferrable Notes; the Class B-1L Notes, except with respect to the Optimal Principal Payment Amount, are subordinated to the Class A Notes; and, in each case, to the payment of certain fees and expenses, to the extent described herein. With respect to the Class A-1 Notes, the Class A-1LB Notes are subordinated with respect to payment of principal to the Class A-1LA Notes. The failure to pay interest on the Class A-2L Deferrable Notes will not constitute an Event of Default so long as any Class A-1 Notes remain Outstanding. Once an Event of Default and acceleration have occurred, Holders of the Class A-2L Deferrable Notes are not entitled to be paid the Cumulative Interest Amount with respect thereto and the Aggregate Principal Amount thereof unless the Class A-1 Notes have been paid in full in cash. The failure to pay interest on the Class A-3L Notes, the Class A-3A Notes or the Class A-3B Notes will not constitute an Event of Default so long as any Class A-1 Notes or any Class A-2L Deferrable Notes remain Outstanding. Once an Event of Default and acceleration have occurred, Holders of the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes are not entitled to be paid the Cumulative Interest Amount with respect thereto and the Aggregate Principal Amount thereof unless the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid in full in cash. The failure to pay interest on the Class B-1L Notes will not constitute an Event of Default so long as any Class A Notes remain Outstanding. Once an Event of Default and acceleration have occurred, Holders of the Class B-1L Notes are not entitled to be paid the Cumulative Interest Amount with respect thereto and the Aggregate Principal Amount thereof unless the Class A Notes have been paid in full in cash. See "Description of Notes—Payments on the Notes; Priority of Distributions."

3. Nature of the Trust Securities, the SMTS and the Debentures. **None of the Trust Securities, the SMTS or the Debentures are deposits or other obligations of any bank or are insured by the FDIC or any governmental agency or instrumentality or any insurance guaranty fund.** Because each Affiliated HC which issues Debentures is the holding company of depository institutions (or in the case of one Trust Security that may be acquired on or after the Closing Date, a trust bank institution), its ability to make distributions on such Debentures will be highly dependent upon the earnings of its subsidiaries and its receipt of payments from such subsidiaries in the form of dividends. In addition, the right of each Affiliated HC to participate in any distribution of assets of any subsidiary upon liquidation, reorganization or otherwise will be subject to the prior claims of the creditors (including any depositors) of such subsidiary, except to the extent that the Affiliated HC is a creditor of the subsidiary recognized as such. Accordingly, each Affiliated HC's Debentures and Guarantee will effectively be subordinated to all existing and future liabilities and obligations of such Affiliated HC's subsidiaries.

Each Portfolio Collateral Issuer's (other than the Bank Note Issuers) only source of cash to make payments on its Trust Securities or SMTS, as applicable, will be payments it receives from its parent Affiliated HC on the related Debentures. The obligations of each Affiliated HC under its Guarantee and its related Debenture are subordinate and junior in right of payment to all present and future Senior Indebtedness of such Affiliated HC. No payment of principal of (including redemption payments, if any) or interest on any related Debenture of any Affiliated HC may be made if (i) any Senior Indebtedness of that Affiliated HC is not paid when due and any applicable grace period with respect to such default has ended with such default not having been cured or waived or (ii) the maturity of any Senior Indebtedness of that Affiliated HC has been accelerated because of a default. There are no terms in any Trust Securities or SMTS, any related Debenture or any Guarantee that limit the ability of any Affiliated HC or any subsidiary of any Affiliated HC to incur additional indebtedness, liabilities and obligations, including such indebtedness that ranks senior to the Affiliated HC's related Debenture and Guarantee. See "Security for the Notes – Description of the Trust Securities – Guarantee" and "– Description of the Corresponding Debentures – Subordination."

There are also various legal and regulatory limitations on the extent to which an Affiliated HC's depositary institution subsidiaries may extend credit, pay dividends or otherwise supply funds to such Affiliated HC or various of its affiliates. Dividend payments from the depositary institution subsidiaries of Affiliated HCs are subject to regulatory limitations, generally based on current and retained earnings of the depositary institution subsidiary imposed by the depositary institution's primary regulatory agency and, in some cases, require prior regulatory approval. Payment of dividends is also subject to regulatory restrictions if such dividends would impair the capital of the depositary institution subsidiary. Regulatory restrictions limiting the aggregate amount of loans to, and investments in, any single affiliate to various levels may prevent Affiliated HCs from borrowing from their depositary institution subsidiaries unless various types of collateral secure the loans. If consent were to be required from, and were to be withheld by, the Applicable Regulators of an Affiliated HC's depositary institution subsidiaries (or in the case of one Trust Security that may be acquired on or after the Closing Date, the trust bank subsidiary) with respect to any matter described in this paragraph, such Affiliated HC would likely exercise its rights to defer interest payments on the Corresponding Debentures, and the Issuer may not have funds available to make anticipated distributions on the Notes during such period.

As long as any Affiliated HC is not in default in the payment of interest on its related Debentures, it may generally defer interest payments on its related Debentures for up to 20 consecutive quarterly periods, in which event distributions on the related Portfolio Collateral (other than the Bank Subordinated Notes) would be similarly deferred. Any Portfolio Collateral (other than the Bank Subordinated Notes) with respect to which interest or dividend payments are being deferred or are accrued and unpaid, as the case may be, will be deemed to be "Defaulted Portfolio Collateral" under the Indenture even though such deferral or accrual is permitted by the terms of such Portfolio Collateral (other than the Bank Subordinated Notes) and the related Debentures.

A default in the payment of interest or principal, or a deferral in interest payments, on any related Debenture will decrease the amount of cash available to the Issuer to make payments on the Notes and therefore may result in a default in the amount due on the Notes and will result in smaller or no distributions on the Preferred Shares. In such event, the Noteholders and the Preferred Shareholders may incur a loss on their investment in the Notes and Preferred Shares, respectively.

Prospective purchasers of the Notes should consider and assess for themselves the likely level of defaults, the likely level and timing of recoveries on the Trust Securities and SMTS in the Trust Estate.

Although the Secondary Market Trust Securities have different terms than the Trust Securities, they are typically structured at the time of their issuance to receive capital treatment comparable to the Trust Securities and will share many of the characteristics and risks of the Trust Securities.

**The Portfolio Collateral will be required to meet certain criteria as of the Closing Date and on the Effective Date. However, the Issuer is under no obligation to maintain such criteria after the Effective Date. In addition, none of such criteria relate to the financial condition or capitalization of the Affiliated HCs or the Portfolio Collateral Issuers. Certain information regarding the Initial Portfolio Collateral, identified by the Issuer as of the date of this Confidential Offering Circular for purchase on the Closing Date, is contained herein under "Security for the Notes–Description of the Trust Securities" and on Annex B hereto. Certain financial information relating to the Affiliated HCs and certain Portfolio Collateral Issuers is publicly available. Upon execution of a satisfactory confidentiality agreement, prospective purchasers of the Notes may obtain from the Initial Purchasers the list of the names of the Portfolio Collateral Issuers and the Affiliated HCs. Prospective purchasers of the Notes must consider and assess for themselves the information with respect to such Portfolio Collateral Issuers and Affiliated HCs and the risk of investment therein.**

4. Acquisition of Portfolio Collateral from the Closing Date through the Effective Date. On the Closing Date the Issuer will acquire the Initial Portfolio Collateral. From the Closing Date through the Effective Date, the Deposit in the Initial Deposit Account will be invested in additional Portfolio Collateral having an Aggregate Principal Amount, together with the Initial Portfolio Collateral, at least equal to the Required Portfolio Collateral Amount no later than the Effective Date, which Portfolio Collateral must satisfy the requirements described under "Security for the Notes—Portfolio Collateral Criteria." Such Portfolio Collateral may be acquired from or through Bear, Stearns & Co. Inc., SunTrust Capital Markets, Inc. or other dealers at negotiated prices by the Issuer. However, there will be no collateral manager or investment advisor assisting the Issuer in the acquisition of such Portfolio Collateral during the period from the Closing Date until the Effective Date. Any purchases made by the Issuer not included in Schedule A to the Indenture will be made with the approval of the majority of the Preferred Shares as described herein (excluding for this purposes any Preferred Shares held by Bear, Stearns & Co. Inc., SunTrust Capital Markets, Inc. or any Affiliate thereof). The interests of the Preferred Shareholders may differ from or be adverse to the interests of the Noteholders. In addition, the ability of the Issuer to obtain such additional Portfolio Collateral (and the rates and other terms thereof) and the terms on which such securities can be obtained may affect the timing and amount of payments received by the Noteholders.

5. Nature of the Bank Subordinated Notes. The Bank Subordinated Notes will be subordinated and junior in right of payment to most present and future indebtedness of the Bank Note Issuers. Payments of principal or premium, if any, or interest on any Bank Subordinated Note may be suspended or deferred if an event of default in the payment of principal of, or premium, if any, or interest on any indebtedness of a Bank Note Issuer that is senior to the Bank Subordinated Note has occurred. See "Security for the Notes—Description of the Bank Subordinated Notes."

Prospective purchasers of the Notes should consider and assess for themselves the likely level of defaults and the likely level and timing of recoveries on the Bank Subordinated Notes in the Trust Estate.

6. Effect of Leverage. The Notes (other than the Class A-1 Notes) represent a leveraged investment in the underlying Collateral. Therefore, it is expected that changes in the value of such Notes will be greater than the change in the value of the underlying Collateral Debt Securities, which themselves are subject to credit, liquidity, interest rate and other risks. Such utilization of leverage increases the risk of losses to the Issuer and, therefore, increases the risk of losses to such Notes (in varying degrees) and generally magnifies the Issuer's opportunities for gain and risk of loss.

7. Limited Liquidity of the Portfolio Collateral. The Portfolio Collateral (other than the publicly issued SMTS, if any) securing the Notes will be privately issued securities and, in the case of Trust Securities, created for the purposes of this transaction. As set forth in Annex B, for certain Trust Securities, the Issuer will not be the sole holder of all of the Trust Securities issued under each Declaration. The SMTS securing the Notes may have been publicly or privately issued and the Issuer may hold only a portion of any such SMTS issuance. The secondary market, if any, for such SMTS is limited. In addition, the Portfolio Collateral (other than the publicly issued SMTS, if any) is subject to restrictions on transfer. Consequently, the Portfolio Collateral will be illiquid investments and, if any of the Portfolio Collateral becomes Defaulted Portfolio Collateral, it is unlikely that such Portfolio Collateral could be sold on economically acceptable terms. Therefore, it is expected that the Trustee will be able to realize any recovery value of Defaulted Portfolio Collateral only by engaging in a restructuring, bringing enforcement proceedings and/or similar measures. Such actions will subject the Issuer and the Noteholders to greater uncertainties with respect to the timing and amount of any ultimate recovery than a sale of the Defaulted Portfolio Collateral if such a sale were possible. In the event of the sale of an item of Defaulted Portfolio Collateral, it is unlikely that the Trustee will be able to realize in full the Principal Balance of such item of Portfolio Collateral and, as a consequence, the Issuer's ability to make payments of principal of and interest on the Notes could be adversely affected. PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSIDER AND DETERMINE FOR THEMSELVES THE LIKELY LEVEL OF DEFAULTS AND THE LEVEL OF RECOVERIES ON THE PORTFOLIO COLLATERAL DURING THE TERM OF THE TRANSACTION.

8. Restrictions on Transfer. The Notes have not been registered under the U.S. Securities Act of 1933, as amended (the **"Securities Act"**), or under any U.S. state securities or "blue sky" laws or the securities laws of any other jurisdiction and are being issued and sold in reliance upon exemptions from registration provided by such laws. There is no market for the Notes being offered hereby and, as a result, a purchaser must be prepared to hold the Notes for an indefinite period of time or until the maturity thereof. No Note may be sold or transferred unless such sale or transfer (i) is exempt from the registration requirements of the Securities Act (for example, in reliance on exemptions provided by Rule 144A or Regulation S under the Securities Act or any other exemption from the registration requirements of the Securities Act) and applicable state securities laws, (ii) will not constitute or result in a non-exempt "prohibited

transaction" under ERISA or Section 4975 of the Code and (iii) does not cause either of the Co-Issuers to become subject to the registration requirements of the U.S. Investment Company Act of 1940, as amended (the **"Investment Company Act"**). Prospective transferees of the Notes will be required pursuant to the terms of the Indenture to deliver a certificate to the Trustee and the Co-Issuers relating to compliance with the Securities Act, applicable state securities laws, ERISA, Section 4975 of the Code and the Investment Company Act. The Co-Issuers will not provide registration rights to any purchaser of the Notes and neither of the Co-Issuers, the Trustee, nor any other person may register the Notes under the Securities Act or any state securities or "blue sky" laws nor may the Co-Issuers or the Trustee take such action with respect to the Portfolio Collateral. See "Description of the Notes – General." The Notes will be owned by a relatively small number of investors and it is highly unlikely that an active secondary market for the Notes will develop. Purchasers of the Notes may find it difficult or uneconomic to liquidate their investment at any particular time.

The Co-Issuers have not registered as an investment company under the Investment Company Act in reliance on the exception provided under Section 3(c)(7) thereof for companies whose outstanding securities are beneficially owned by "Qualified Purchasers" (as defined in Section 3(c)(7) of the Investment Company Act) and which do not make a public offering of their securities in the United States. While counsel will opine in connection with the sale of the Notes to the Initial Purchasers that neither the Issuer nor the Co-Issuer is on the Closing Date required to register as an investment company (assuming the Notes are sold to the Initial Purchasers in accordance with the terms of the Purchase Agreement), no opinion or no-action position has been requested of the United States Securities and Exchange Commission (the **"SEC"**). If the SEC or a court of competent jurisdiction were to find that the Issuer or the Co-Issuer is required to register as an investment company, possible consequences include, but are not limited to, the SEC applying to enjoin the violation, investors suing the Issuer or the Co-Issuer, as applicable, to recover any damages caused by the violation and any contract to which the Issuer or the Co-Issuer, as applicable, is a party made in violation or whose performance involves a violation of the Investment Company Act being unenforceable unless enforcing such contract would produce a more equitable result. Should the Issuer or the Co-Issuer be subjected to any or all of the foregoing or to any other consequences, the Issuer or the Co-Issuer, as the case may be, would be materially and adversely affected.

Each transferee of a Rule 144A Global Note will be deemed to, and each transferee of a Definitive Note (except with respect to a transfer pursuant to Regulation S under the Securities Act) will be required to, make certain representations at the time of transfer relating to compliance with Section 3(c)(7) of the Investment Company Act. See "Delivery of the Notes; Transfer Restrictions; Settlement."

The Indenture provides that if, notwithstanding the restrictions on transfer contained therein, the Issuer determines any beneficial owner or Holder of a Note (other than a Note transferred in reliance on Regulation S of the Securities Act) is not a Qualified Institutional Buyer or an Accredited Investor and a Qualified Purchaser, the Issuer will require that such beneficial owner or Holder sell all of its right, title and interest in such Note to a person who is so qualified, with such sale to be effected within 30 days after notice of such sale requirement is given. If such sale is not effected within such 30 days, upon written direction from the Issuer, the Trustee will be authorized to conduct a commercially reasonable sale of such Note to a person who does so qualify and pending transfer, no further payments will be made in respect of such Note or any beneficial interest therein.

9. Final Maturity Date, Average Life and Prepayment Considerations; Redemption. The Final Maturity Date of each Class of Notes is the Payment Date occurring in October 2035, subject to prior redemption under the circumstances described herein. The average lives of the Notes will be shorter than the number of years until the Final Maturity Date if and to the extent any of the following occurs: Redemption Prepayments, Mandatory Redemptions, an Initial Deposit Redemption (with respect to the Class A-1 Notes), an Optional Redemption, an Auction Call Redemption, principal payments with respect to the Optimal Principal Payment Amount, or principal payments from Collateral Interest Collections to the Notes on and after the October 2015 Payment Date as set forth in the priority of distribution provisions described herein.

Redemption Prepayments will be made on the Notes, in the order described herein, to the extent items of Portfolio Collateral are prepaid. Prepayments on the Portfolio Collateral will depend directly on prepayments on the related Debentures, which, in turn, will depend on, among other things, the prevailing levels of interest rates (which will affect the Affiliated HCs' incentive to voluntarily prepay the related Debentures), the financial condition of the Affiliated HCs, the availability of alternative financing in the form of equity, debt or hybrid instruments (which will affect the Affiliated HCs' ability to refinance the Trust Securities or SMTS, as applicable, if they so desire), the occurrence of changes or prospective changes involving tax law, the Investment Company Act or capital adequacy guidelines of the

Applicable Regulator (any of which could constitute a Special Event that would permit the redemption of the Trust Securities or SMTS), and whether the permission of the Applicable Regulator is required for prepayment of any Trust Securities or SMTS under capital adequacy guidelines and, if so, whether the Applicable Regulator grants such permission.

As described herein, the Notes may be redeemed on any Payment Date on or after the Payment Date in July 2010 if the Issuer, at the direction of the holders of at least 66-2/3% of the Preferred Shares, elects to sell the Portfolio Collateral and use the proceeds of such sale to redeem all of the Notes at the Optional Redemption Price.

As described herein, the Notes are subject to redemption in whole but not in part on the Auction Call Redemption Date as a result of a successful Auction.

As described herein, at any time that the Notes are Outstanding, if any Overcollateralization Test or Interest Coverage Test is not satisfied on any Payment Date ((a) on and after the second Payment Date, in the case of each Interest Coverage Test and (b) on and after the October 2015 Payment Date, in the case of the Class A-3 Overcollateralization Test) or if a Rating Confirmation Failure has occurred and is continuing, amounts that are junior in right of payment to such test as described under "Description of the Notes – Payments on the Notes; Priority of Distributions", will be applied to the redemption of the Notes, in the order described under "– Payments on the Notes; Priority of Distributions," to the extent necessary to satisfy the Overcollateralization Tests or the Interest Coverage Tests or to receive a Rating Confirmation, as applicable. The foregoing may occur, for example, if Affiliated HCs exercise their right to defer interest payments on the Corresponding Debentures or are in default under the Corresponding Debentures.

As described herein, principal of the Notes will also be paid from Collateral Interest Collections (to the extent and in the order of priority described under "– Payments on the Notes; Priority of Distributions") in an amount not exceeding the Optimal Principal Payment Amount. In addition, on and after the October 2015 Payment Date, before any distributions are made to the holders of the Preferred Shares from Collateral Interest Collections, to the extent of funds available therefor and subject to the priority of payments described herein, certain amounts will be applied to make principal payments on the Notes as described herein.

As described herein, if the Issuer is unable to invest the full amount of the Deposit in additional Portfolio Collateral having an Aggregate Principal Amount, together with the Initial Portfolio Collateral, at least equal to the Required Portfolio Collateral Amount and meeting the specified requirements no later than the Effective Date, an amount (not in excess of the amount of the Deposit not so invested) equal to the difference between the Required Portfolio Collateral Amount and the par amount of Portfolio Collateral actually acquired shall be used to make principal payments to the Class A-1 Notes in accordance with the Class A-1 Principal Allocation until each such Class is paid in full on the Initial Deposit Redemption Date.

The Holders of the Notes will have no control over the timing or the amount of any prepayments on the Portfolio Collateral. Redemption Prepayments of the Portfolio Collateral may result in the remaining Portfolio Collateral being more concentrated and of lower overall credit quality, which could have a material adverse effect on the ability of the Issuer to repay the Notes.

10. Interest Rate Risk. The Notes (other than the Class A-3A Notes up to and including the July 2010 Payment Date and the Class A-3B Notes up to and including July 2008 Payment Date) will bear interest at a floating rate based on LIBOR, but the interest rates on a portion of the Portfolio Collateral may be fixed or, in certain circumstances, capped. In addition, interest rates on the Portfolio Collateral which bear interest at a floating rate may be determined or adjustments may take effect on different dates than is the case for the Notes. In order to reduce the effect of mismatches with respect to the Notes, on the Closing Date, the Issuer will enter into a Swap Agreement. Notwithstanding the foregoing, mismatches may occur because, among other things, a default by the Swap Counterparty or an early termination of the Swap Agreement may occur. In addition, no payments are required to be made under the Swap Agreement before the Payment Date occurring in January 2006 or after the Payment Date occurring in July 2015. Any such mismatches may adversely affect the Issuer's ability to pay amounts due in respect of the Notes. See "The Swap Agreement" herein.

11. Swap Agreement. On the Closing Date, the Issuer and the Swap Counterparty will enter into a Swap Agreement, pursuant to which the Issuer will be required to pay the Swap Counterparty on each Payment Date on and after the Payment Date occurring in January 2006 through the Payment Date occurring in July 2015, interest on a notional

amount equal to $84,000,000 at a *per annum* rate specified in Annex C attached hereto, in exchange for which the Swap Counterparty will pay to the Issuer (i) interest on such notional amount at a rate equal to LIBOR for the related Periodic Interest Accrual Period and (ii) the Up Front Payment on the Closing Date in the amount of approximately $1,500,000. As a result of the Up Front Payment, the rate payable by the Issuer under the Swap Agreement on each Payment Date is higher than such payments would have been if the Up Front Payment had not been made.

12. The Issuer. The Issuer has no prior operating history. The Issuer has no significant assets other than the Portfolio Collateral, the Collection Account, the Swap Agreement, the Initial Deposit Account, the Expense Reimbursement Account and the Closing Expense Account. The Issuer will not engage in any business activity other than the co-issuance of the Notes and the issuance of the Class P1 Combination Notes and the Preferred Shares and the ordinary shares as described herein, the acquisition of and investment in Portfolio Collateral and other assets permitted by the Indenture and the Class P1 Collateral, in each case as described herein, certain activities conducted in connection with the payment of amounts in respect of the Notes, the Class P1 Combination Notes and the Preferred Shares and other activities incidental to the foregoing. Income derived from the Trust Estate will be the Issuer's principal source of cash. The Issuer is an exempted company incorporated with limited liability under the laws of the Cayman Islands. Because the Issuer is a Cayman Islands company and its directors reside in the Cayman Islands, it may not be possible for investors to effect service of process within the United States on such persons or to enforce against them or against the Issuer in United States courts judgments predicated upon the civil liability provisions of the United States securities laws. None of the directors, security holders, officers or incorporators of the Co-Issuers, any of their respective affiliates or any other person or entity (other than the Issuer) will be obligated to make payments on the Notes, the Class P1 Combination Notes or the Preferred Shares.

13. The Co-Issuer. The Co-Issuer has no prior operating history. The Co-Issuer has no substantial assets. The Co-Issuer will not engage in any business activity other than the co-issuance of the Notes.

14. Potential Conflicts of Interest. Various potential and actual conflicts of interest may arise from the overall business and investment activities of any of the Initial Purchasers, their Affiliates and their respective clients, which include Portfolio Collateral Issuers and their Affiliates. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive discussion of all potential conflicts.

An Initial Purchaser or its Affiliates may have had in the past and may in the future have business relationships and dealings with one or more Portfolio Collateral Issuers and their Affiliates and may own equity or debt securities issued by Portfolio Collateral Issuers or their Affiliates. An Initial Purchaser or its Affiliates may have provided and may in the future provide investment banking services to a Portfolio Collateral Issuer or its Affiliates and may have received or may receive compensation for such services. In addition, an Initial Purchaser or its Affiliates may buy securities from and sell securities to a Portfolio Collateral Issuer or its Affiliates for its own account or for the accounts of its customers.

The Issuer will acquire the Initial Portfolio Collateral in transactions in which the Initial Purchasers are acting as broker, dealer or placement agent and earning a fee or commission in connection with such transactions. An Initial Purchaser or any of its Affiliates may, but is not obliged to, advise the Issuer, the Portfolio Collateral Issuer or any of their Affiliates with respect to restructuring or working out any of its debt obligations, including without limitation the Corresponding Debentures. An Initial Purchaser, its Affiliates and accounts, for which any of them acts as investment adviser, may own Notes, but are not required to own or hold Notes.

After the Closing Date, the Issuer may acquire from or through Bear, Stearns & Co. Inc. and SunTrust Capital Markets, Inc. Portfolio Collateral at current market prices which will be negotiated by or on behalf of the Issuer at such time.

15. Ratings of the Notes. The ratings of the Class A-1 Notes by S&P address solely the likelihood of timely payment of the Periodic Interest Amount on and the ultimate payment of the Aggregate Principal Amount of the Class A-1 Notes. The rating of the Class A-2L Deferrable Notes by S&P address solely the likelihood of the ultimate payment of the Cumulative Interest Amount and the Aggregate Principal Amount of the Class A-2L Deferrable Notes. The ratings of the Notes by Fitch address solely the likelihood of timely payment of the Periodic Interest Amount on and the ultimate payment of the Aggregate Principal Amount of the Class A-1 Notes and the ultimate payment of the Cumulative Interest Amount and the Aggregate Principal Amount of the Class A-2L Deferrable Notes, the Class A-3L Notes, the Class A-3A Notes, the Class A-3B Notes and the Class B-1L Notes. The ratings of the Notes by Moody's

address the ultimate cash receipt of all required payments as provided by the governing documents, and are based on the expected loss to the Noteholders of each Class relative to the promise of receiving the present value of such payments. A rating is not a recommendation to purchase, hold or sell securities, in as much as such rating does not comment as to market price or suitability for a particular investor and may be subject to revision or withdrawal at any time by the assigning rating organization.

16. Certain Tax Considerations. Investors in the Notes should review carefully the tax considerations set forth in "Certain Tax Considerations" herein.

17. Certain ERISA Considerations. Investors in the Notes should review carefully the ERISA considerations set forth in "Certain ERISA Considerations" herein.

18. Effect of Recent Events. The terrorist attacks on the World Trade Center and the Pentagon on September 11, 2001, related and threatened military action, recent disclosures of alleged wrongdoing or financial misstatements by major corporations and financial institutions and other factors appear to be having adverse effects on general economic conditions and general market liquidity and, with substantial reported losses by various companies including telecommunications conglomerates, energy companies, airlines, insurance providers, aircraft makers, the hospitality industry and others, have been reported to result in a decrease in consumer confidence that could cause a general slowdown in economic growth and result in a greater number of defaults than would otherwise be the case. In addition, these disruptions and uncertainties could materially affect the ability of an investor to resell its Notes.

19. Legislation and Regulations In Connection With the Prevention of Money Laundering. The Uniting and Strengthening America By Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the **"USA PATRIOT Act"**), signed into law on and effective as of October 26, 2001, imposes anti-money laundering obligations on different types of financial institutions, including banks, broker-dealers and investment companies. The USA PATRIOT Act requires the Secretary of the United States Department of the Treasury (the **"Treasury"**) to prescribe regulations to define the types of investment companies subject to the USA PATRIOT Act and the related anti-money laundering obligations. It is not clear whether Treasury will require entities such as the Issuer to enact anti-money laundering policies. It is possible that Treasury will promulgate regulations requiring the Co-Issuers or the Initial Purchasers or other service providers to the Co-Issuers, in connection with the establishment of anti-money laundering procedures, to share information with governmental authorities with respect to investors in the Notes and/or the Preferred Shares. Such legislation and/or regulations could require the Co-Issuers to implement additional restrictions on the transfer of the Notes and/or the Preferred Shares. As may be required, the Issuer reserves the right to request such information and take such actions as are necessary to enable it to comply with the USA PATRIOT Act.

20. Proposed Legislation. On January 24, 2002, Representative Charles B. Rangel introduced legislation in the U.S. House of Representatives which, if enacted in its current form, would in some cases disallow interest deductions for U.S. federal income tax purposes for interest paid on securities with certain similarities to the Debentures. This legislation is proposed to be effective for instruments issued on or after the date of enactment of such legislation. Consequently, as drafted, the Issuer and the Co-Issuer believe that this legislation would not affect the Trust Securities, SMTS, Debentures or otherwise result in a Tax Event. However, there can be no assurance that the proposed legislation, final legislation or any other future legislative proposals will not adversely affect the ability of Affiliated HCs to deduct interest on the related Debentures or otherwise affect the tax treatment of the transactions described in this Confidential Offering Circular. Such change could, if applicable to the Debentures or Trust Securities or SMTS, give rise to a Tax Event, which would permit a redemption of the Trust Securities or SMTS, as applicable.

## THE ISSUER AND THE CO-ISSUER

### The Issuer

Soloso CDO 2005-1 Ltd. (the **"Issuer"**) was incorporated in the Cayman Islands on July 13, 2005, for the express purpose of issuing the Notes, the Class P1 Combination Notes and the Preferred Shares, acquiring and holding the assets described herein and engaging in the related transactions contemplated hereby. The Issuer operates under the Companies Law (2004 Revision) of the Cayman Islands. The Issuer's registration number under Cayman Islands law is 151726.

The Issuer has no prior operating experience. The purposes for which the Issuer has been established are unrestricted as set forth in clause 3 of its Memorandum of Association, however, business activities in which the Issuer may engage will be limited by the Indenture to the issuance of the Notes and the Preferred Shares, the acquisition of and investment in Portfolio Collateral and the Class P1 Collateral as described herein, the execution and delivery of the Swap Agreement, and certain activities conducted in connection with the payment of amounts in respect of the Notes, the Class P1 Combination Notes and the Preferred Shares. Cash flow derived from the Portfolio Collateral, the Swap Agreement and other collateral securing the Notes and the Class P1 Collateral securing the Class P1 Combination Notes will be the Issuer's only sources of cash.

The registered office of the Issuer is located at the offices of Maples Finance Limited, P.O. Box 1093 GT, Queensgate House, South Church Street, George Town, Grand Cayman, Cayman Islands.

The proceeds of the offering of Notes will be used, together with the proceeds of the sale of the Preferred Shares, to purchase Portfolio Collateral and the Class P1 Underlying Note, to fund the deposits in the Initial Deposit Account, the Expense Reimbursement Account and the Closing Expense Account. See "Use of Proceeds."

The Administrator

Certain administrative functions will be performed on behalf of the Issuer by Maples Finance Limited in the Cayman Islands.

The office of the Administrator is located at the offices of Maples Finance Limited, P.O. Box 1093 GT, Queensgate House, South Church Street, George Town, Grand Cayman, Cayman Islands.

The Administrator's duties under the Administration Agreement will be subject to the overview of the Issuer. The Administration Agreement will be subject to termination by either the Issuer or the Administrator upon 3 months' written notice (or 14 days' written notice upon the occurrence of certain events), in which case the Issuer will use reasonable commercial efforts to appoint a replacement Administrator.

Share Capital

As of the Closing Date and after giving effect to the issuance of the Preferred Shares, the authorized and issued share capital of the Issuer will consist of 250 ordinary shares of U.S. $1.00 par value each and 40,500,000 Preferred Shares of U.S. $0.001 par each. All of the issued and outstanding ordinary shares of the Issuer will be held in trust for the Holders of the Notes until there are no Notes Outstanding and for the benefit of certain charitable entities.

The Directors of the Issuer are responsible for the management, monitoring and administration of the Issuer. Currently, the Directors are Phillipa White, Steven O'Connor and Murray McGregor, each of whom is an employee of the Administrator.

Capitalization

The capitalization of the Issuer on the Closing Date, after giving effect to the issuance of the Notes and the issuance of the Issuer's ordinary shares and Preferred Shares and before deducting any expenses of the offerings is set forth below:

| | Amount |
|---|---|
| Class A-1L Notes | U.S. $170,000,000 |
| Class A-1LA Notes | U.S. $126,000,000 |
| Class A-1LB Notes | U.S. $39,000,000 |
| Class A-2L Deferrable Notes | U.S. $45,500,000 |
| Class A-3L Notes | U.S. $40,000,000 |
| Class A-3A Notes | U.S. $19,000,000 |
| Class A-3B Notes | U.S. $19,000,000 |
| Class B-1L Notes | U.S.$30,500,000 |
| Total Debt | U.S. $489,000,000 |
| Preferred Shares | U.S. $40,500,000 |
| Ordinary Shares | U.S. $250 |
| Total Equity | U.S. $40,500,250 |
| Total Capitalization | U.S. $529,500,250 |

Other than the Notes, as of the Closing Date, neither the Issuer nor the Co-Issuer will have any loan capital (including term loans) outstanding or created but unissued, or any outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities.

The Co-Issuer

The Co-Issuer was incorporated on July 12, 2005, under the laws of the State of Delaware and its registered office is c/o Puglisi & Associates, 850 Library Avenue, Suite 204, Newark, Delaware 19711 with the State Identification No. 399906. The director of the Co-Issuer is responsible for the management, monitoring and administration of the Co-Issuer. The sole director and officer of the Co-Issuer is Donald J. Puglisi. The Co-Issuer will not have any substantial assets and will not pledge any assets to secure the Notes.

The purposes for which the Co-Issuer has been established are set forth in clause 3 of its Certificate of Incorporation, which are limited to the execution of the Indenture, acting as Co-Issuer of the Notes and any matters incidental thereto.

The Co-Issuer will be capitalized only to the extent of its common equity of $10, will have no assets other than its equity capital and will have no debt other than as Co-Issuer of the Notes. The Issuer will own 100% of the stock of the Co-Issuer.

Combination Notes

In addition, on the Closing Date, the Issuer expects to issue the Class P1 Combination Notes (the "**Class P1 Combination Notes**") pursuant to the Indenture. The Class P1 Combination Notes will consist of two components: (i) the Class P1 Collateral having a principal face amount of U.S. $3,600,000 and (ii) the Preferred Share Component representing 2,500,000 Preferred Shares. The Class P1 Combination Notes represent an ownership interest in the Class P1 Collateral and a portion of the Preferred Shares. The Class P1 Combination Notes do not represent an additional obligation of the Issuer. The Class P1 Combination Notes are a stapled security and comprise two components which are not transferable; however, a holder may exchange its Class P1 Combination Notes for the corresponding interests in the component securities (subject to minimum denomination and lot requirements). For all purposes under the Indenture and the Paying and Transfer Agency Agreement, the holders of the Class P1 Combination Notes are holders of the Class P1 Collateral and the Preferred Shares. The Class P1 Combination Notes are not offered hereby.

## DESCRIPTION OF THE NOTES

General

The Notes will be issued on the Closing Date pursuant to an indenture (the **"Indenture"**), to be dated as of the Closing Date, among the Co-Issuers and Wells Fargo Bank, National Association, as trustee (the **"Trustee"**) and as securities intermediary. The following summaries generally describe certain provisions of the Notes and the Indenture. The summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the provisions of the Notes and the Indenture. When particular provisions or terms used in the Notes and the Indenture are referred to, the actual provisions (including definitions of terms) are incorporated by reference. Copies of the Indenture may be obtained by Holders of the Notes upon request to the Issuer or the Initial Purchasers.

The Indenture limits the amount of Notes that can be issued thereunder to the Class A-1L Notes, the Class A-1LA Notes, the Class A-1LB Notes, the Class A-2L Deferrable Notes, the Class A-3L Notes, the Class A-3A Notes, the Class A-3B Notes and the Class B-1L Notes in the aggregate principal amounts set forth on the cover hereof. The Notes will be issued in fully registered form in minimum denominations of U.S. $200,000 and integral multiples of U.S. $1.00 in excess thereof.

**The Notes will be non-recourse obligations of the Co-Issuers and all amounts payable in respect of the Notes will be paid solely from and to the extent of the available proceeds from the Trust Estate. To the extent the assets of the Trust Estate are insufficient to pay all amounts due on the Notes on each Payment Date, on the Final Maturity Date or otherwise, the Co-Issuers shall have no further obligations in respect of the Notes and any sums outstanding and unpaid shall be extinguished. The Class P1 Combination Notes are not secured by the Trust Estate and the Notes are not entitled to the Class P1 Collateral.**

Payments of interest and principal or any other amount payable on or in respect of the Notes will be made on each Payment Date by wire transfer to registered Holders of the Notes on the Record Date applicable to such Payment Date to accounts maintained by such registered Holders as reflected in the Note register. In the case of redemption, notice will be mailed to each Holder of record no later than twenty days before the Payment Date on which the final principal payment is expected to be made to such Holder.

Under the terms of the Indenture, the Trustee will act as a paying agent. Payments of principal of and interest on and other amounts in respect of the Notes will be made by the Trustee to the Paying Agents from funds available in the Collection Account established under the Indenture as described herein.

All distributions in respect of the Portfolio Collateral will be deposited directly into the Collection Account and will be available to the extent described herein for the payment of amounts payable in respect of the Notes and, under the circumstances set forth herein and in the Indenture, for the applications described herein.

The Notes are subject to restrictions on transfer. See "– Form, Transfer and Transfer Restrictions." Subject to such restrictions, the Notes may be transferred or exchanged at the corporate office of the Trustee without the payment of any service charge, other than tax or other governmental charges payable in connection therewith.

Payments on the Notes; Priority of Distributions

Interest and Principal Payments

*Class A-1L Notes*. The Class A-1L Notes will provide for the payment of Periodic Interest (to the extent of funds available therefor as described herein) for each Periodic Interest Accrual Period at the rate of 0.35% *per annum* above LIBOR (the **"Applicable Periodic Rate"** with respect to the Class A-1L Notes) on the 15th day of January, April, July and October of each calendar year, or, if any such day is not a Business Day, then on the next succeeding Business Day (each such date, a **"Payment Date"**), commencing on the October 2005 Payment Date. **"LIBOR"** means a floating rate equal to the London interbank offered rate for three-month U.S. Dollar deposits, except (i) with respect to the Periodic Interest paid to the Class A-1 Notes and the Class A-2L Deferrable Notes on the initial Payment Date in October 2005, in which case "LIBOR" means a floating rate equal to the London interbank offered rate for two-month U.S. Dollar deposits, determined as described herein and (ii) with respect to the Periodic Interest paid to the Class A-3L Notes and the Class B-1L Notes on the initial Payment Date in January 2006, in which case "LIBOR" means a floating rate equal to the London interbank offered rate for five-month U.S. Dollar deposits, determined as described herein. Interest will be calculated on the basis of a year of 360 days and the actual number of days elapsed. Interest will be payable *pari passu* among the Class A-1L Notes, the Class A-1LA Notes and the Class A-1LB Notes and such interest will be payable *pro rata* with respect to each such Class in accordance with the respective Periodic Interest Amount.

On each Payment Date, principal of the Class A-1L Notes will be payable (to the extent of funds available therefor and in accordance with the Class A-1 Principal Allocation as described herein) until the Payment Date on which the Aggregate Principal Amount of the Class A-1L Notes is paid in full. All outstanding principal of the Class A-1L Notes, together with the other amounts described herein, will be due and payable on the Final Maturity Date. The Class A-1L Notes are also subject to redemption as described herein.

**"Class A-1 Principal Allocation"** means, with respect to any amount specified as allocable in accordance with the Class A-1 Principal Allocation, an allocation (i) to the Class A-1L Notes, in an amount equal to such amount multiplied by a fraction, the numerator of which is the Aggregate Principal Balance of the Class A-1L Notes and the denominator of which is the Aggregate Principal Balance of the Class A-1 Notes and (ii) to the Class A-1LA Notes, and after the Class A-1LA Notes have been paid in full, to the Class A-1LB Notes, in an amount equal to the remainder of such amount after giving effect to the allocation in clause (i).

In addition, on each Payment Date occurring on and after the October 2015 Payment Date, the Class A-1L Notes (unless previously redeemed) will receive, subject to the priority of payments and the Class A-1 Principal Allocation described herein and until they are paid in full, principal payments equal to 50% of the amount, if any, of the Adjusted Collateral Interest Collections that would otherwise have been paid to the Issuer to make distributions on the Preferred Shares.

*Class A-1LA Notes*. The Class A-1LA Notes will provide for the payment of Periodic Interest (to the extent of funds available therefor as described herein) for each Periodic Interest Accrual Period at the rate of 0.31% *per annum* above LIBOR (the **"Applicable Periodic Rate"** with respect to the Class A-1LA Notes) on each Payment Date, commencing on the October 2005 Payment Date. With respect to the Periodic Interest paid to the Class A-1LA Notes on the initial Payment Date in October 2005, "LIBOR" means a floating rate equal to the London interbank offered rate for two-month U.S. Dollar deposits, determined as described herein. Interest will be calculated on the basis of a year of 360 days and the actual number of days elapsed. Interest will be payable *pari passu* among the Class A-1LA Notes, the Class A-1L Notes and the Class A-1LB Notes and such interest will be payable *pro rata* with respect to each such Class in accordance with the respective Periodic Interest Amount.

On each Payment Date, principal of the Class A-1LA Notes will be payable (to the extent of funds available therefor and in accordance with the Class A-1 Principal Allocation as described herein) until the Payment Date on which the Aggregate Principal Amount of the Class A-1LA Notes is paid in full. All outstanding principal of the Class A-1LA Notes, together with the other amounts described herein, will be due and payable on the Final Maturity Date. The Class A-1LA Notes are also subject to redemption as described herein.

In addition, on each Payment Date occurring on and after the October 2015 Payment Date, the Class A-1LA Notes (unless previously redeemed) will receive, subject to the priority of payments and the Class A-1 Principal Allocation described herein and until they are paid in full, principal payments equal to 50% of the amount, if any, of the Adjusted Collateral Interest Collections that would otherwise have been paid to the Issuer to make distributions on the Preferred Shares.

*Class A-1LB Notes*. The Class A-1LB Notes will provide for the payment of Periodic Interest (to the extent of funds available therefor as described herein) for each Periodic Interest Accrual Period at the rate of 0.47% *per annum* above LIBOR (the **"Applicable Periodic Rate"** with respect to the Class A-1LB Notes) on each Payment Date, commencing on the October 2005 Payment Date. With respect to the Periodic Interest paid to the Class A-1LB Notes on the initial Payment Date in October 2005, "LIBOR" means a floating rate equal to the London interbank offered rate for two-month U.S. Dollar deposits, determined as described herein. Interest will be calculated on the basis of a year of 360 days and the actual number of days elapsed. Interest will be payable *pari passu* among the Class A-1LB Notes, the Class A-1L Notes and the Class A-1LA Notes and such interest will be payable *pro rata* with respect to each such Class in accordance with the respective Periodic Interest Amount.

On each Payment Date, principal of the Class A-1LB Notes will be payable (to the extent of funds available therefor and in accordance with the Class A-1 Principal Allocation as described herein) until the Payment Date on which the Aggregate Principal Amount of the Class A-1LB Notes is paid in full. All outstanding principal of the Class A-1LB Notes, together with the other amounts described herein, will be due and payable on the Final Maturity Date. The Class A-1LB Notes are also subject to redemption as described herein.

In addition, on each Payment Date occurring on and after the October 2015 Payment Date, the Class A-1LB Notes (unless previously redeemed) will receive, subject to the priority of payments and the Class A-1 Principal Allocation described herein and until they are paid in full, principal payments equal to 50% of the amount, if any, of the Adjusted Collateral Interest Collections that would otherwise have been paid to the Issuer to make distributions on the Preferred Shares.

*Class A-2L Deferrable Notes*. The Class A-2L Deferrable Notes will provide for the payment of Periodic Interest (to the extent of funds available therefor and in the order of priority described herein) at a rate of 0.62% above LIBOR (the **"Applicable Periodic Rate"** with respect to the Class A-2L Deferrable Notes) on each Payment Date, commencing on the October 2005 Payment Date. With respect to the Periodic Interest paid to the Class A-2L Deferrable Notes on the initial Payment Date in October 2005, "LIBOR" means a floating rate equal to the London interbank offered rate for two-month U.S. Dollar deposits, determined as described herein. The failure to pay in full Periodic Interest on the Class A-2L Deferrable Notes as a result of insufficient funds being available therefor will not constitute an Event of Default so long as the Class A-1 Notes are Outstanding. Any shortfall in the payment of Periodic Interest to the Class A-2L Deferrable Notes on any Payment Date will be payable, together with interest thereon at the Applicable Periodic Rate, on one or more subsequent Payment Dates (to the extent funds are available therefor and subject to the priority of distribution provisions described herein). Interest will be calculated on the basis of a year of 360 days and the actual number of days elapsed.

No interest will be payable in respect of the Class A-2L Deferrable Notes on any Payment Date unless the Holders of the Class A-1 Notes have been paid the Cumulative Interest Amount due to them on such Payment Date, each of the Senior Overcollateralization Test and the Senior Interest Coverage Test has been satisfied and, in the case of the Final Maturity Date, until the Aggregate Principal Amount of the Class A-1 Notes has been paid in full.

On each Payment Date after the Class A-1 Notes have been paid in full, principal will be payable on the Class A-2L Deferrable Notes (to the extent of funds available therefor as described herein) until the Payment Date on which the Aggregate Principal Amount of the Class A-2L Deferrable Notes is paid in full. All outstanding principal of the Class A-2L Deferrable Notes, together with the other amounts described herein, will be due and payable on the Final Maturity Date. The Class A-2L Deferrable Notes are subordinated in right of payment to the Class A-1 Notes to the extent described herein. The Class A-2L Deferrable Notes are also subject to redemption as described herein.

In addition, on each Payment Date occurring on and after the October 2015 Payment Date and after the Class A-1 Notes have been paid in full, the Class A-2L Deferrable Notes (unless previously redeemed) will receive, subject to the priority of payments described herein and until they are paid in full, principal payments equal to 50% of the amount, if any, of the Adjusted Collateral Interest Collections that would otherwise have been paid to the Issuer to make distributions on the Preferred Shares.

*Class A-3L Notes*. The Class A-3L Notes will provide for the payment of Periodic Interest (to the extent of funds available therefor and in the order of priority described herein) at a rate of 1.30% above LIBOR (the **"Applicable Periodic Rate"** with respect to the Class A-3L Notes) on each Payment Date, commencing on the January 2006 Payment Date. With respect to the Periodic Interest paid to the Class A-3L Notes on the initial Payment Date in January 2006, "LIBOR" means a floating rate equal to the London interbank offered rate for five-month U.S. Dollar deposits, determined as described herein. The failure to pay in full Periodic Interest on the Class A-3L Notes as a result of insufficient funds being available therefor will not constitute an Event of Default so long as the Class A-1 Notes and the Class A-2L Deferrable Notes are Outstanding. Any shortfall in the payment of Periodic Interest to the Class A-3L Notes on any Payment Date will be payable, together with interest thereon at the Applicable Periodic Rate, on one or more subsequent Payment Dates (to the extent funds are available therefor and subject to the priority of distribution provisions described herein). Interest will be calculated on the basis of a year of 360 days and the actual number of days elapsed. Interest will be payable *pari passu* among the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes and such interest will be payable *pro rata* with respect to each such Class in accordance with the respective Periodic Interest Amount.

No interest will be payable in respect of the Class A-3L Notes on any Payment Date unless the Holders of the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid the Cumulative Interest Amount due to them on such Payment Date, the Senior Overcollateralization Test, the Senior Interest Coverage Test, the Class A-2 Overcollateralization Test have been satisfied and, in the case of the Final Maturity Date, until the Aggregate Principal Amount of the Class A-1 Notes and the Class A-2L Deferrable Notes has been paid in full.

On each Payment Date after the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid in full, principal will be payable on the Class A-3L Notes (to the extent of funds available therefor as described herein) until the Payment Date on which the Aggregate Principal Amount of the Class A-3L Notes is paid in full. All outstanding principal of the Class A-3L Notes, together with the other amounts described herein, will be due and payable on the Final Maturity Date. Principal will be payable pro rata between the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes. The Class A-3L Notes are subordinated in right of payment to the Class A-1 Notes and the Class A-2L Deferrable Notes to the extent described herein. The Class A-3L Notes are also subject to redemption as described herein.

In addition, on each Payment Date occurring on and after the October 2015 Payment Date and after the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid in full, the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes will receive, *pro rata*, subject to the priority of payments described herein and until they are paid in full, principal payments equal to 50% of the amount, if any, of the Adjusted Collateral Interest Collections that would otherwise have been paid to the Issuer to make distributions on the Preferred Shares.

*Class A-3A Notes*. The Class A-3A Notes will provide for the payment of Periodic Interest (to the extent of funds available therefor and in the order of priority described herein) on each Payment Date at a rate of (a) from the Closing Date to and including the July 2010 Payment Date, 5.8364% *per annum* and (b) after the July 2010 Payment Date, 1.30% above LIBOR (the **"Applicable Periodic Rate"** with respect to the Class A-3A Notes), commencing on the January 2006 Payment Date. The failure to pay in full Periodic Interest on the Class A-3A Notes as a result of insufficient funds being available therefor will not constitute an Event of Default so long as the Class A-1L Notes and the Class A-2L Deferrable Notes are Outstanding. Any shortfall in the payment of Periodic Interest to the Class A-3A Notes on any Payment Date will be payable, together with interest thereon at the Applicable Periodic Rate, on one or more subsequent Payment Dates (to the extent funds are available therefor and subject to the priority of distribution provisions described herein). Interest will be calculated on the basis of (a) from the Closing Date to and including the January 2006 Payment Date, the number of days elapsed in a 360-day year of twelve 30-day months. (b) from the January 2006 Payment Date to and including the July 2010 Payment Date, a year of 360 days and four 90-day Periodic Interest Accrual Periods and (c) after the July 2010 Payment Date, a year of 360 days and the actual number of days elapsed. Interest will be payable *pari passu* between the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes and such interest will be payable *pro rata* with respect to each such Class in accordance with the respective Periodic Interest Amount.

No interest will be payable in respect of the Class A-3A Notes on any Payment Date unless the Holders of the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid the Cumulative Interest Amount due to them on such Payment Date, the Senior Overcollateralization Test, the Senior Interest Coverage Test and the Class A-2 Overcollateralization Test have been satisfied and, in the case of the Final Maturity Date, until the Aggregate Principal Amount of the Class A-1L Notes and the Class A-2L Deferrable Notes has been paid in full.

On each Payment Date after the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid in full, principal will be payable on the Class A-3A Notes (to the extent of funds available therefor as described herein) until the Payment Date on which the Aggregate Principal Amount of the Class A-3A Notes is paid in full. All outstanding principal of the Class A-3A Notes, together with the other amounts described herein, will be due and payable on the Final Maturity Date. Principal will be payable pro rata between the Class A-3L Notes, the Class A-3A Notes and the Class

A-3B Notes. The Class A-3A Notes are subordinated in right of payment to the Class A-1 Notes and the Class A-2L Deferrable Notes to the extent described herein. The Class A-3A Notes are also subject to redemption as described herein.

In addition, on each Payment Date occurring on and after the October 2015 Payment Date and after the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid in full, the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes will receive, *pro rata*, subject to the priority of payments described herein and until they are paid in full, principal payments equal to 50% of the amount, if any, of the Adjusted Collateral Interest Collections that would otherwise have been paid to the Issuer to make distributions on the Preferred Shares.

*Class A-3B Notes*. The Class A-3B Notes will provide for the payment of Periodic Interest (to the extent of funds available therefor and in the order of priority described herein) on each Payment Date at a rate of (a) from the Closing Date to and including the July 2008 Payment Date, 5.7447% *per annum* and (b) after the July 2008 Payment Date, 1.30% above LIBOR (the **"Applicable Periodic Rate"** with respect to the Class A-3B Notes), commencing on the January 2006 Payment Date. The failure to pay in full Periodic Interest on the Class A-3B Notes as a result of insufficient funds being available therefor will not constitute an Event of Default so long as the Class A-1 Notes and the Class A-2L Deferrable Notes are Outstanding. Any shortfall in the payment of Periodic Interest to the Class A-3B Notes on any Payment Date will be payable, together with interest thereon at the Applicable Periodic Rate, on one or more subsequent Payment Dates (to the extent funds are available therefor and subject to the priority of distribution provisions described herein). Interest will be calculated on the basis of (a) from the Closing Date to and including the January 2006 Payment Date, the number of days elapsed in a 360-day year of twelve 30-day months. (b) from the January 2006 Payment Date to and including the July 2008 Payment Date, a year of 360 days and four 90-day Periodic Interest Accrual Periods and (c) after the July 2008 Payment Date, a year of 360 days and the actual number of days elapsed. Interest will be payable *pari passu* between the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes and such interest will be payable *pro rata* with respect to each such Class in accordance with the respective Periodic Interest Amount.

No interest will be payable in respect of the Class A-3B Notes on any Payment Date unless the Holders of the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid the Cumulative Interest Amount due to them on such Payment Date, the Senior Overcollateralization Test, the Senior Interest Coverage Test and the Class A-2 Overcollateralization Test have been satisfied and, in the case of the Final Maturity Date, until the Aggregate Principal Amount of the Class A-1 Notes and the Class A-2L Deferrable Notes has been paid in full.

On each Payment Date after the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid in full, principal will be payable on the Class A-3B Notes (to the extent of funds available therefor as described herein) until the Payment Date on which the Aggregate Principal Amount of the Class A-3B Notes is paid in full. All outstanding principal of the Class A-3B Notes, together with the other amounts described herein, will be due and payable on the Final Maturity Date. Principal will be payable pro rata between the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes. The Class A-3B Notes are subordinated in right of payment to the Class A-1 Notes and the Class A-2L Deferrable Notes to the extent described herein. The Class A-3B Notes are also subject to redemption as described herein.

In addition, on each Payment Date occurring on and after the October 2015 Payment Date and after the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid in full, the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes will receive, *pro rata*, subject to the priority of payments described herein and until they are paid in full, principal payments equal to 50% of the amount, if any, of the Adjusted Collateral Interest Collections that would otherwise have been paid to the Issuer to make distributions on the Preferred Shares.

*Class B-1L Notes*. The Class B-1L Notes will provide for the payment of Periodic Interest (to the extent of funds available therefor and in the order of priority described herein) at a rate of 2.70% above LIBOR (the **"Applicable Periodic Rate"** with respect to the Class B-1L Notes) on each Payment Date, commencing on the January 2006 Payment Date. With respect to the Periodic Interest paid to the Class B-1L Notes on the initial Payment Date in January 2006, "LIBOR" means a floating rate equal to the London interbank offered rate for five-month U.S. Dollar deposits, determined as described herein. The failure to pay in full Periodic Interest on the Class B-1L Notes as a result of insufficient funds being available therefor will not constitute an Event of Default so long as the Class A Notes are Outstanding. Any shortfall in the payment of Periodic Interest to the Class B-1L Notes on any Payment Date will be payable, together with interest thereon at the Applicable Periodic Rate, on one or more subsequent Payment Dates (to the extent funds are available therefor and subject to the priority of distribution provisions described herein). Interest will be calculated on the basis of a year of 360 days and the actual number of days elapsed.

No interest will be payable in respect of the Class B-1L Notes on any Payment Date unless the Holders of the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid the Cumulative Interest Amount due to them on such Payment Date, the Holders of the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes have been paid the Periodic Interest Amount (or, after the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid in full, the Cumulative Interest Amount) due to them on such Payment Date, the Senior Overcollateralization Test, the Class A-2 Overcollateralization Test, the Class A-3 Overcollateralization Test (on and after the October 2015 Payment Date) and the Senior Interest Coverage Test have been satisfied and, in the case of the Final Maturity Date, until the Aggregate Principal Amount of the Class A Notes has been paid in full.

On each Payment Date after the Class A Notes have been paid in full, principal will be payable on the Class B-1L Notes (to the extent of funds available therefor as described herein) until the Payment Date on which the Aggregate Principal Amount of the Class B-1L Notes is paid in full. All outstanding principal of the Class B-1L Notes, together with the other amounts described herein, will be due and payable on the Final Maturity Date. The Class B-1L Notes, except with respect to the Optimal Principal Payment Amount, are subordinated in right of payment to the Class A Notes to the extent described herein. The Class B-1L Notes are also subject to redemption as described herein.

In addition, on each Payment Date occurring on and after the October 2015 Payment Date and after the Class A Notes have been paid in full, the Class B-1L Notes will receive, subject to the priority of payments described herein and until they are paid in full, principal payments equal to 50% of the amount, if any, of the Adjusted Collateral Interest Collections that would otherwise have been paid to the Issuer to make distributions on the Preferred Shares.

To the extent assets of the Trust Estate are insufficient to pay all amounts due on the Notes, the Co-Issuers shall have no further obligations in respect of the Notes. The Class P1 Combination Notes are not secured by the Trust Estate.

*Cumulative Interest Amount.* To the extent Periodic Interest accrued at the Applicable Periodic Rate with respect to any Periodic Interest Accrual Period on any Class of Notes is not paid on the related Payment Date, the amount of such interest shortfall will accrue interest at the Applicable Periodic Rate and will be paid (to the extent funds are available therefor as described herein) on one or more subsequent Payment Dates after payment of interest at the Applicable Periodic Rate with respect to the Periodic Interest Accrual Period relating to such subsequent Payment Date (the amount of such shortfall, together with interest thereon at the Applicable Periodic Rate, the **"Periodic Rate Shortfall Amount"** and, with the Periodic Interest Amount for such subsequent Payment Date, the **"Cumulative Interest Amount"** with respect to such Payment Date).

*No Gross-up.* None of the Co-Issuers will be required to pay additional amounts to Holders of any Class of Notes, if taxes or related amounts are withheld from payments on the Notes or any payments on any item of Portfolio Collateral or other investments of the Co-Issuers.

Determination of LIBOR

For purposes of calculating the Applicable Periodic Rate for the Notes (other than for the Class A-3A Notes up to and including the July 2010 Payment Date and the Class A-3B Notes up to and including the July 2008 Payment Date), the Issuer initially will appoint Wells Fargo Bank, National Association, as agent with respect to the determination of LIBOR (in such capacity, the **"Calculation Agent"**). LIBOR will be determined by the Calculation Agent in accordance with the following provisions:

> On the second London Business Day prior to the commencement of a Periodic Interest Accrual Period (each such day, a **"LIBOR Determination Date"**), LIBOR shall equal the rate, as obtained by the Calculation Agent, for three-month U.S. dollar deposits (or, (i) in the case of the initial Periodic Interest Accrual Period with respect to the Class A-1 Notes and the Class A-2L Deferrable Notes, two-month U.S. dollar deposits or (ii) in the case of the initial Periodic Interest Accrual Period with respect to the Class A-3L Notes and the Class B-1L Notes, five-month U.S. dollar deposits) which appears on Telerate Page 3750 (as defined in the 2000 ISDA Definitions and as reported by Bloomberg Financial Markets Commodities News) or such other page as may replace such Page 3750, as of 11:00 a.m. (London time) on such LIBOR Determination Date.

If, on any LIBOR Determination Date, such rate does not appear on Telerate Page 3750 or such other page as may replace such Page 3750, the Calculation Agent shall determine the arithmetic mean of the offered quotations of the Reference Banks to leading banks in the London interbank market for three-month U.S. dollar deposits (or, (i) in the case of the initial Periodic Interest Accrual Period with respect to the Class A-1 Notes and the Class A-2L Deferrable Notes, two-month U.S. dollar deposits or (ii) in the case of the initial Periodic Interest Accrual Period with respect to the Class A-3L Notes and the Class B-1L Notes, five-month U.S. dollar deposits) in an amount determined by the Calculation Agent by reference to requests for quotations as of approximately 11:00 a.m. (London time) on the LIBOR Determination Date made by the Calculation Agent to the Reference Banks. If, on any LIBOR Determination Date, at least two of the Reference Banks provide such quotations, LIBOR shall equal such arithmetic mean of such quotations. If, on any LIBOR Determination Date, only one or none of the Reference Banks provide such quotations, LIBOR shall be deemed to be the arithmetic mean of the offered quotations that leading banks in The City of New York selected by the Calculation Agent are quoting on the relevant LIBOR Determination Date for three-month U.S. dollar deposits (or, (i) in the case of the initial Periodic Interest Accrual Period with respect to the Class A-1 Notes and the Class A-2L Deferrable Notes, two-month U.S. dollar deposits or (ii) in the case of the initial Periodic Interest Accrual Period with respect to the Class A-3L Notes and the Class B-1L Notes, five-month U.S. dollar deposits) in an amount determined by the Calculation Agent that is representative of a single transaction in such market at such time by reference to the principal London offices of leading banks in the London interbank market; *provided* that, if the Calculation Agent is required but is unable to determine a rate in accordance with at least one of the procedures provided above, LIBOR shall be LIBOR as determined on the previous LIBOR Determination Date. As used herein, **"Reference Banks"** means four major banks in the London interbank market selected by the Calculation Agent.

As soon as possible after 11:00 a.m. (London time) on each LIBOR Determination Date, but in no event later than 11:00 a.m. (London time) on the Business Day immediately following each LIBOR Determination Date, the Calculation Agent will notify the Issuer and, the Trustee and (for so long as any Class of Notes is listed on the Irish Stock Exchange) the Irish Paying Agent, of LIBOR for the next Periodic Interest Accrual Period. The Calculation Agent will also specify to the Issuer the quotations upon which LIBOR is based, and in any event the Calculation Agent shall notify the Issuer before 5:00 p.m. (London time) on each LIBOR Determination Date that either: (i) it has determined or is in the process of determining LIBOR or (ii) it has not determined and is not in the process of determining LIBOR together with its reasons therefor.

Upon receipt of notice of LIBOR for each Periodic Interest Accrual Period from the Calculation Agent as described in the preceding paragraph, the Trustee will determine the Applicable Periodic Rate for each Class of Notes (other than for the Class A-3A Notes up to and including the July 2010 Payment Date and the Class A-3B Notes up to and including the July 2008 Payment Date) for such Periodic Interest Accrual Period and direct the Irish Paying Agent to notify the Irish Stock Exchange of the Periodic Rate for the such Class of Notes (for so long as any such Class of Notes is listed on the Irish Stock Exchange). The determination of LIBOR by the Calculation Agent and the Applicable Periodic Rate by the Trustee (in the absence of manifest error) will be final and binding upon all parties.

The Calculation Agent may be removed by the Issuer at any time. If the Calculation Agent is unable or unwilling to act as such or is removed by the Issuer, or if the Calculation Agent fails to determine LIBOR for a Periodic Interest Accrual Period, the Issuer will promptly appoint as a replacement Calculation Agent a leading bank which is engaged in transactions in U.S. dollar deposits in the international U.S. dollar market and which does not control or is not controlled by or under common control with the Issuer or its affiliates. The Calculation Agent may not resign or be removed from its duties without a successor having been duly appointed.

Adjusted Collateral Collections

On each Payment Date, in accordance with the Note Valuation Report for the Calculation Date immediately preceding such Payment Date, Collateral Interest Collections, to the extent of Available Funds in the Collection Account, and payments, if any, received from the Swap Counterparty under the Swap Agreement (after giving effect to the netting provisions thereof), will be applied by the Trustee to pay each of the following in the order of priority set forth in the Indenture:

(A) the Trustee Administrative Expenses with respect to such Payment Date and any Trustee Administrative Expenses with respect to a previous Payment Date that were not paid on a previous Payment Date,

(B) the Preferred Shares Administrative Expenses with respect to such Payment Date and any Preferred Shares Administrative Expenses that were not paid on a previous Payment Date,

(C) the Issuer Base Administrative Expenses with respect to such Payment Date and any Issuer Base Administrative Expenses with respect to a previous Payment Date that were not paid on a previous Payment Date or replenishment of the Expense Reimbursement Account to the extent any of the amounts referred to in this clause (C) have already been paid from funds on deposit therein (the aggregate of (A), (B) and (C), the **"Aggregate Base Fees and Expenses"**), and

(D) the Periodic Swap Payments to the Swap Counterparty with respect to such Payment Date (after giving effect to the netting provisions thereof).

Collateral Interest Collections *plus* any payments received from the Swap Counterparty under the Swap Agreement, net of amounts payable on a Payment Date pursuant to clause (A) through (D) above, represent **"Adjusted Collateral Interest Collections"** for such Payment Date.

On each Payment Date, in accordance with the Note Valuation Report for the Calculation Date immediately preceding such Payment Date, Collateral Principal Collections, to the extent of Available Funds in the Collection Account, will be applied by the Trustee to pay Aggregate Base Fees and Expenses, and the Periodic Swap Payments (after giving effect to the netting provisions thereof) in the order set forth in the Indenture, to the extent not paid or replenished from Collateral Interest Collections with respect to such Payment Date (such amount, the **"Adjusted Collateral Principal Collections"** for such Payment Date).

Prior to the Final Maturity Date

I. Adjusted Collateral Interest Collections

On each Payment Date, Adjusted Collateral Interest Collections for such Payment Date will be applied by the Trustee in the following order of priority:

(i) to pay, *pari passu*, (a) the Cumulative Interest Amount with respect to the Class A-1L Notes and such Payment Date; (b) the Cumulative Interest Amount with respect to the Class A-1LA Notes and such Payment Date; (c) the Cumulative Interest Amount with respect to the Class A-1LB Notes and such Payment Date; and (d) the Issuer Default Swap Termination Amount, if any, to the Swap Counterparty;

(ii) to the payment of principal as an O/C Redemption in the amount, if any, required to be paid in order to satisfy the Senior Overcollateralization Test and the Senior Interest Coverage Test, such amount to be paid to the Class A-1 Notes in accordance with the Class A-1 Principal Allocation, until each such Class is paid in full;

(iii) to pay the Cumulative Interest Amount with respect to the Class A-2L Deferrable Notes and such Payment Date;

(iv) to the payment of principal as an O/C Redemption in the amount, if any, required to be paid in order to satisfy the Class A-2 Overcollateralization Test, such amount to be paid in the following order: first, to the Class A-1 Notes in accordance with the Class A-1 Principal Allocation, and, second, to the Class A-2L Deferrable Notes, until each such Class is paid in full;

(v) on the October 2005 Payment Date only, any remaining balance to the Initial Period Reserve Account;

(vi) commencing on the January 2006 Payment Date, to pay, first, (a) *pari passu,* the Periodic Interest Amount with respect to the Class A-3L Notes and such Payment Date, the Periodic Interest Amount with respect to the Class A-3A Notes and such Payment Date and the Periodic Interest Amount with respect to the Class A-3B Notes and such Payment Date and, then, (b) if no Class A-1 Notes or Class A-2L Deferrable Notes are Outstanding, to pay, *pari passu,* any Periodic Rate Shortfall Amount with respect to the Class A-3L Notes, any Periodic Rate Shortfall Amount with respect to the Class A-3A Notes and any Periodic Rate Shortfall Amount with respect to the Class A-3B Notes;

(vii) commencing with the October 2015 Payment Date and each Payment Date thereafter, to the payment of principal as an O/C Redemption in the amount, if any, required to be paid in order to satisfy the Class A-3 Overcollateralization Test, such amount to be paid in the following order: first, to the Class A-1 Notes in accordance with the Class A-1 Principal Allocation, second, to the Class A-2L Deferrable Notes, and, third, to any Periodic Rate Shortfall Amount with respect to the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes, *pari passu*, and then to principal of the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes, *pro rata*, until each such Class is paid in full;

(viii) commencing on the January 2006 Payment Date, to pay, first, (a) the Periodic Interest Amount with respect to the Class B-1L Notes and such Payment Date and, then, (b) if no Class A Notes are Outstanding, to pay any Periodic Rate Shortfall Amount with respect to the Class B-1L Notes;

(ix) commencing on the January 2006 Payment Date, to the payment of principal as a Mandatory Redemption in the amount, if any, required to be paid in order to satisfy the Class B Overcollateralization Test and the Subordinate Interest Coverage Test or in order to receive a Rating Confirmation in the event that a Rating Confirmation Failure has occurred and is continuing, such amount to be paid in the following order: first, to the Class A-1 Notes in accordance with the Class A-1 Principal Allocation, second, to the Class A-2L Deferrable Notes, third, to any Periodic Rate Shortfall Amount with respect to the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes, *pari passu*, and then to principal of the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes, *pro rata*, and, fifth, to any Periodic Rate Shortfall Amount with respect to the Class B-1L Notes and then to principal of the Class B-1L Notes, until each such Class is paid in full;

(x) commencing on the January 2006 Payment Date, to pay, *pari passu*, (a) the Cumulative Interest Amount with respect to the Class A-3L Notes and such Payment Date to the extent not paid to the Holders of the Class A-3L Notes pursuant to clauses (vi) and (vii) of this section; (b) the Cumulative Interest Amount with respect to the Class A-3A Notes and such Payment Date to the extent not paid to the Holders of the Class A-3A Notes pursuant to clauses (vi) and (vii) of this section; and (c) the Cumulative Interest Amount with respect to the Class A-3B Notes and such Payment Date to the extent not paid to the Holders of the Class A-3B Notes pursuant to clauses (vi) and (vii) of this section;

(xi) commencing on the January 2006 Payment Date, to pay the Cumulative Interest Amount with respect to the Class B-1L Notes and such Payment Date to the extent not paid to the Holders of the Class B-1L Notes pursuant to clauses (viii) and (ix) of this section;

(xii) commencing on the January 2006 Payment Date, to the payment of the Optimal Principal Payment Amount as principal on the Notes in the following order: first, to the Class B-1L Notes, second, to the Class A-1 Notes in accordance with the Class A-1 Principal Allocation, third, to the Class A-2L Deferrable Notes, and, fourth, to the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes, *pro rata*, until such Optimal Principal Payment Amount is paid in full or each such Class is paid in full;

(xiii) commencing on the January 2006 Payment Date, to pay any Swap Termination Amount due to the Swap Counterparty under the Swap Agreement not paid pursuant to clause (i) of this section;

(xiv) commencing on the January 2006 Payment Date, to the payment to the Issuer of the Issuer Excess Administrative Expenses with respect to such Payment Date and then any Issuer Excess Administrative Expenses with respect to a previous Payment Date that were not paid on a previous Payment Date; and

(xv) on each Payment Date occurring on and after the October 2015 Payment Date, 50% of the remaining amounts to make principal payments on the Notes in reduction of the Aggregate Principal Amount thereof in the following order: first, to the Class A-1 Notes in accordance with the Class A-1 Principal Allocation, second, to the Class A-2L Deferrable Notes, third, to the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes, *pro rata*, and, fourth, to the Class B-1L Notes, until each such Class is paid in full, until each such Class is paid in full.

Any amount remaining after payment of the amounts described in clauses (i) through (xv) above will be paid to the Paying and Transfer Agent on behalf of the Issuer and, free and clear of the lien of the Indenture, to be applied to fund distributions to the holders of the Preferred Shares.

II. Adjusted Collateral Principal Collections

On each Payment Date, Adjusted Collateral Principal Collections with respect to such Payment Date will be applied by the Trustee in the following order of priority:

(i) (a) on each Payment Date up to and including the October 2034 Payment Date, to the payment of the amounts described in clauses (i) through (ix) with respect to Collateral Interest Collections, in the order described therein, in each case, to the extent such amounts have not been paid from Adjusted Collateral Interest Collections with respect to such Payment Date; and (b) on each subsequent Payment Date other than the Final Maturity Date, (i) if the Senior OC Test is satisfied as of the Calculation Date related to such Payment Date, to the payment of amounts as described in clause (a) above, and (ii) if the Senior OC Test is not satisfied as of the Calculation Date related to such Payment Date, to the payment of amounts described in clauses (i) through (ii) with respect to Collateral Interest Collections, in the order described therein, to the extent such amounts have not been paid from Adjusted Collateral Interest Collections with respect to such Payment Date, then to the payment of the Periodic Interest Amount with respect to the Class A-2L Deferrable Notes, then to the payment of principal of the Class A-1 Notes subject to the Class A-1 Principal Allocation until retired, and then to the payment of amounts described in clauses (iii) through (ix) with respect to Collateral Interest Collections in the order described therein, in each case, to the extent such amounts have not been paid from Adjusted Collateral Interest Collections with respect to such Payment Date; and

(ii) to pay principal of the Notes in the following order: first, to the Class A-1 Notes in accordance with the Class A-1 Principal Allocation, second, to the Class A-2L Deferrable Notes, third, to any Periodic Rate Shortfall Amount with respect to the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes, *pari passu*, and then to principal of the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes, *pro rata*, and, fifth, to any Periodic Rate Shortfall Amount with respect to the Class B-1L Notes and then to principal of the Class B-1L Notes, until each such Class is paid in full.

Final Maturity Date

The Final Maturity Date (including an Optional Redemption Date, an Auction Call Redemption Date or any Payment Date on which the Aggregate Principal Amount of the Notes is paid in full as described herein), in accordance with the Note Valuation Report for the Calculation Date immediately preceding the Final Maturity Date (or in the case of an Optional Redemption, in accordance with the related redemption date statement delivered pursuant to the Indenture), Available Funds in the Collection Account in an amount equal to the Adjusted Collateral Collections, together with all available funds in the Expense Reimbursement Account, will be applied by the Trustee in the following order of priority:

(i) to pay, *pari passu*, (a) the Cumulative Interest Amount with respect to the Class A-1L Notes and such Payment Date; (b) the Cumulative Interest Amount with respect to the Class A-1LA Notes and such Payment Date; (c) the Cumulative Interest Amount with respect to the Class A-1LB Notes and such Payment Date; and (d) the Issuer Default Swap Termination Amount, if any, to the Swap Counterparty;

(ii) to pay the Aggregate Principal Amount of the Class A-1 Notes in accordance with the Class A-1 Principal Allocation;

(iii) to pay the Cumulative Interest Amount with respect to the Class A-2L Deferrable Notes and such Payment Date;

(iv) to pay the Aggregate Principal Amount of the Class A-2L Deferrable Notes;

(v) to pay, *pari passu*, (a) the Cumulative Interest Amount with respect to the Class A-3L Notes and such Payment Date; (b) the Cumulative Interest Amount with respect to the Class A-3A Notes and such Payment Date; and (c) the Cumulative Interest Amount with respect to the Class A-3B Notes and such Payment Date;

(vi) to pay, *pro rata*, (a) the Aggregate Principal Amount of the Class A-3L Notes; (b) the Aggregate Principal Amount of the Class A-3A Notes; and (c) the Aggregate Principal Amount of the Class A-3B Notes;

(vii) to pay the Cumulative Interest Amount with respect to the Class B-1L Notes and such Payment Date;

(viii) to pay the Aggregate Principal Amount of the Class B-1L Notes;

(ix) to pay any Swap Termination Amount due to the Swap Counterparty under the Swap Agreement not paid pursuant to clause (i) above; and

(x) to pay to the Issuer the Issuer Excess Administrative Expenses with respect to such Payment Date and any Issuer Excess Administrative Expenses with respect to a previous Payment Date that were not paid on a previous Payment Date.

Any amount remaining after payment of the amounts described in clauses (i) through (x) above will be paid to the Paying and Transfer Agent on behalf of the Issuer and, free and clear of the lien of the Indenture, to be applied to fund distributions to the holders of the Preferred Shares.

Optimal Principal Payment Amount

On any Payment Date, after satisfaction of the Overcollateralization Tests and the Interest Coverage Tests and to the extent funds are available therefor, Collateral Interest Collections will be applied to make principal payments on the Notes in the order of priority set forth herein under "– Payments on the Notes; Priority of Distributions" and in an amount not to exceed the Optimal Principal Payment Amount.

Overcollateralization Tests

The Overcollateralization Tests are applicable until the Notes are retired and all amounts payable in respect thereof are paid, and are satisfied if (i) the Senior Overcollateralization Ratio is at least equal to 115.0%, (ii) the Class A-2 Overcollateralization Ratio is at least equal to 112.0%, (iii) on and after the October 2015 Payment Date, the Class A-3 Overcollateralization Ratio is at least equal to 105.0% and (iii) the Class B Overcollateralization Ratio is at least equal to 103.5%. For the avoidance of doubt, the Class A-3 Overcollateralization Test is not applicable before the October 2015 Payment Date.

The **"Senior Overcollateralization Ratio"** means, with respect to a determination made as of any Calculation Date, the ratio (expressed as a percentage) obtained by dividing (a) the sum of (1) the Aggregate Principal Amount of the Portfolio Collateral (other than the Defaulted Portfolio Collateral) in the Trust Estate as of such Calculation Date *plus* (2) Collateral Principal Collections held as cash in the Collection Account as of such Calculation Date and the balance of Eligible Investments purchased with Collateral Principal Collections *plus* (3) 5% of the aggregate Principal Balance of all the Defaulted Portfolio Collateral in the Trust Estate as of such Calculation Date by (b) the sum of the Aggregate Principal Amount of the Class A-1 Notes (including for this purpose any Periodic Rate Shortfall Amounts with respect to Class A-1 Notes not paid when due, until such amounts, if any, are paid in full) as of such Calculation Date.

Each of the **"Class A-2 Overcollateralization Ratio"**, the **"Class A-3 Overcollateralization Ratio"** and the **"Class B Overcollateralization Ratio"** is calculated in the same manner, but includes in the denominator the Aggregate Principal Amount of the Class A-2L Deferrable Notes (in the case of the Class A-2 Overcollateralization Ratio), the Aggregate Principal Amount of the Class A-2L Deferrable Notes, the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes (in the case of the Class A-3 Overcollateralization Ratio) and the Aggregate Principal Amount of the Class A-2L Deferrable Notes, the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes and the Class B-1L Notes (in the case of the Class B Overcollateralization Ratio), respectively (including, in each case for this purpose, any Periodic Rate Shortfall Amounts with respect to such Classes of Notes not paid when due, until any such amounts are paid in full).

Interest Coverage Tests

The Interest Coverage Tests are applicable on and after the second Payment Date until the Notes are retired and all amounts payable in respect thereof are paid, and are satisfied if (i) the Senior Interest Coverage Ratio is at least equal to 115.0% and (ii) the Subordinate Interest Coverage Ratio is at least equal to 103.5%.

The **"Senior Interest Coverage Ratio"** means, with respect to any Payment Date, a number (expressed as a percentage) calculated by dividing (a) the Adjusted Collateral Interest Collections received during the related Due Period by (b) the Cumulative Interest Amount with respect to the Class A-1 Notes with respect to such Payment Date.

The **"Subordinate Interest Coverage Ratio"** means, with respect to any Payment Date, a number (expressed as a percentage) calculated by dividing (a) the Adjusted Collateral Interest Collections received during the related Due Period by (b) the Cumulative Interest Amount with respect to all of the Notes with respect to such Payment Date.

O/C Redemption

If the applicable Overcollateralization Test or Interest Coverage Test is not satisfied, amounts that are junior in right of payment to such test as described under "– Payments on the Notes; Priority of Distributions" will be applied to the redemption of the Notes in the order described under "– Payments on the Notes; Priority of Distributions" (an **"O/C Redemption"**) to the extent necessary to satisfy the applicable Overcollateralization Test or Interest Coverage Test (recalculated on such Payment Date after taking into account such O/C Redemption) in accordance with the provisions described herein. Any such O/C Redemption will be effected at par. The Trustee will give notice of an O/C Redemption to the Company Announcements Office of the Irish Stock Exchange if any Class of Notes is then listed on the Irish Stock Exchange.

Rating Confirmation Failure Redemption

If, on the Effective Date, the Portfolio Collateral purchased by the Issuer does not consist of the same items of Portfolio Collateral listed in Schedule A to the Indenture, then the Issuer will request that each Rating Agency confirm after the Effective Date that it has not reduced or withdrawn the then-current ratings assigned by it to a Class of Notes (a **"Rating Confirmation"**). If the Issuer is unable to obtain a Rating Confirmation by the 30th day after the Effective Date (a **"Rating Confirmation Failure"**), on the next Payment Date and on each subsequent Payment Date, amounts that are junior in right of payment to such Rating Confirmation Failure, as described under "Description of the Notes–Payments on the Notes; Priority of Distributions", will be applied to the redemption of the Notes, in the order and according to the priorities described herein (a **"Rating Confirmation Failure Redemption"**), to the extent necessary to receive a Rating Confirmation, in accordance with the provisions described herein. The Trustee will give notice of a Rating Confirmation Failure Redemption to the Company Announcements Office of the Irish Stock Exchange if any Class of Notes is then listed on the Irish Stock Exchange.

Initial Deposit Redemption

The Issuer will use commercially reasonable efforts to acquire by October 15, 2005, Portfolio Collateral having an Aggregate Principal Amount equal at least to the Required Portfolio Collateral Amount. On the Effective Date, to the extent that the full amount of the Deposit is not invested in Portfolio Collateral having an Aggregate Principal Amount at least equal to the Required Portfolio Collateral Amount in accordance with the guidelines described herein, an amount (not in excess of the amount of the Deposit not so invested) equal to the excess of the Required Portfolio Collateral Amount over the par amount of Portfolio Collateral actually acquired will be applied by the Issuer on November 1, 2005 (the **"Initial Deposit Redemption Date"**) to make principal payments on the Class A-1 Notes in accordance with the Class A-1 Principal Allocation until the Aggregate Principal Amount of each such Class is paid in full (an **"Initial Deposit Redemption"**). If, at any time prior to the Effective Date, the Aggregate Principal Amount of the Portfolio Collateral equals or exceeds the Required Portfolio Collateral Amount and there are funds remaining from the Deposit held in the Initial Deposit Account, the Trustee will transfer, first, so long as the Overcollateralization Tests are met as of the Effective Date and the requirements specified under "Security for the Notes—Portfolio Collateral Criteria" are satisfied, up to $250,000 of such funds to the Collection Account to be applied as additional Collateral Interest

Collections, and, then, the remainder of such funds to the Collection Account to be applied as additional Collateral Principal Collections. The Trustee will give notice of an Initial Deposit Redemption to the Company Announcements Office of the Irish Stock Exchange if any Class of Notes is then listed on the Irish Stock Exchange.

Optional Redemption

On any Payment Date on or after the Payment Date occurring in July 2010 (the **"Optional Redemption Date**,**"** which date shall be considered the Final Maturity Date) the Issuer may, at the direction of the holders of at least 66-2/3% of the Preferred Shares, elect to sell the Portfolio Collateral and use the proceeds of such purchase to redeem the Notes (an **"Optional Redemption"**), in whole but not in part at a price equal to the Optional Redemption Price. No such Optional Redemption may occur unless all Outstanding Notes are redeemed and unless all payments, fees and expenses, including any Swap Termination Amount due to the Swap Counterparty are paid in full. The Issuer may use all Available Funds in the Collection Account to provide for payment of the Optional Redemption Price. The Trustee will give notice of an Optional Redemption to the Company Announcements Office of the Irish Stock Exchange if any Class of Notes is then listed on the Irish Stock Exchange.

Auction Call Redemption

On each Payment Date, beginning with the July 2015 Payment Date (each such date, an "**Auction Call Redemption Date**," which date shall be considered the Final Maturity Date), (unless previously redeemed) the Notes will be redeemable (an **"Auction Call Redemption"**), in whole but not in part, from the sale proceeds from all of the Portfolio Collateral and the Balance of Eligible Investments and cash in the Collection Account and the Expense Reimbursement Account, at the applicable Auction Call Note Redemption Price, but only if such sale proceeds and all other available funds are equal to or exceed the Auction Call Redemption Amount. To the extent that there are any amounts remaining in excess of the Auction Call Redemption Amount, such excess amounts will be paid into the account maintained by the Paying and Transfer Agent pursuant to the Paying and Transfer Agency Agreement for the benefit of the holders of the Preferred Shares.

Any auction conducted in connection with an Auction Call Redemption (an **"Auction"**) shall be carried out in accordance with the auction procedures set forth in the Indenture (the **"Auction Procedures"**). Pursuant to the Indenture, the Issuer has designated the Trustee as the Auction Agent (in such capacity, the **"Auction Agent"**) in connection with the sale of the Portfolio Collateral with respect to the Auction Call Redemption. The Trustee shall sell and transfer the Portfolio Collateral to the highest bidder for the Portfolio Collateral (or to the highest bidder for discrete subpools of Portfolio Collateral) at the Auction; *provided that* (i) the Auction has been conducted in accordance with the Auction Procedures, (ii) at least one bid is received from an eligible bidder by the Auction Agent for (a) the purchase of the Portfolio Collateral or (b) the purchase of each subpool of Portfolio Collateral, (iii) the Trustee determines that the highest price bid by one or more eligible bidders for the Portfolio Collateral or the sum of the highest prices bid by one or more eligible bidders for each subpool of Portfolio Collateral would result in a cash purchase price for the Portfolio Collateral which, together with the Balance of all the Eligible Investments and cash in the Collection Account and Expense Reimbursement Account, will be equal to or exceed the Auction Call Redemption Amount; and (iv) each bidder who offered the highest bid for the Portfolio Collateral or for one or more of the subpools enters into a written agreement with the Issuer obligating the highest bidder (or the highest bidder for each subpool) to purchase all of the Portfolio Collateral (or all of such subpool), with the closing of such purchase (and full payment in cash to the Trustee) to occur on or before the tenth Business Day prior to the scheduled Auction Call Redemption Date.

The Trustee and any of its affiliates will not be permitted to participate as a bidder in an Auction.

If any single bid, or the aggregate amount of multiple bids, together with the Balance of all the Eligible Investments and cash in the Collection Account and Expense Reimbursement Account, does not equal or exceed the Auction Call Redemption Amount, or if there is a failure at settlement, then the redemption of Notes on the related Auction Call Redemption Date will not occur. If the Auction Call Redemption is not successfully completed on any Auction Call Redemption Date, the Auction Agent shall conduct an Auction in accordance with the Auction Procedures on each subsequent Auction Call Redemption Date until an Auction Call Redemption is completed successfully.

The **"Auction Call Redemption Amount"** means the aggregate amount (without duplication) in immediately available funds required to pay all amounts payable prior to making any distributions to the Preferred Shares as described under "—Payments on the Notes; Priority of Distributions" (including any fees and expenses incurred by the Issuer, the Trustee or the Auction Agent in connection with the Auction Call Redemption), to pay any amounts due and payable by the Issuer pursuant to the Swap Agreement and to redeem the Notes on the scheduled Auction Call Redemption Date at the applicable Auction Call Note Redemption Price with respect to such Auction Call Redemption Date.

The Trustee will, not less than ten and not more than thirty Business Days prior to a relevant Auction Call Redemption Date, give the Holders of the Notes, the Preferred Shareholders, the Paying Agent, the Swap Counterparty and Rating Agencies notice of the redemption of the Notes and the amount (if any) of any distribution on the Preferred Shares on such Payment Date. The Trustee will give notice of any Auction Call Redemption to the Company Announcements Office of the Irish Stock Exchange if any Class of Notes is then listed on the Irish Stock Exchange.

Form, Transfer and Transfer Restrictions

Regulation S Global Notes

Upon issuance, the Notes of each Class sold to non-U.S. Persons (as defined in Regulation S under the Securities Act (**"Regulation S"**)) (each, a **"non-U.S. Person"**) in Offshore Transactions (as defined in Regulation S) in reliance on Regulation S, initially will be represented by a single, temporary global note in fully registered form without interest coupons (the **"Temporary Regulation S Global Note"**), which will be deposited with the Trustee, as custodian for, and registered in the name of a nominee on behalf of, The Depository Trust Company (**"DTC"**) for the respective accounts of Euroclear Bank, S.A./N.V., as operator of the Euroclear System (**"Euroclear"**), and Clearstream Banking, *société anonyme* (**"Clearstream"**).

Subject to the receipt by the Trustee of a certificate in the form provided by the Indenture from the person holding such interest, a beneficial interest in the Temporary Regulation S Global Note may be exchanged (i) after the 40th day after the later of the conclusion of the offering and the Closing Date (the **"Exchange Date"**), for an interest in a permanent global note in fully registered form without coupons (the **"Permanent Regulation S Global Note"** and, together with the Temporary Regulation S Global Note, the **"Regulation S Global Notes"**), in an amount equal to the aggregate principal amount of such interest in the Temporary Regulation S Global Note, (ii) at any time for an interest in a Rule 144A Global Note, if a beneficial interest in a Regulation S Global Note will be transferred to a Qualified Institutional Buyer who is a U.S. Person, or (iii) at any time for an interest in a Definitive Note, if a beneficial interest in a Regulation S Global Note will be transferred to an Accredited Investor who is a U.S. Person taking such interest in the form of a Definitive Note fully registered in the name of such person.

Upon deposit of the Permanent Regulation S Global Note of a Class with the Trustee, as custodian for DTC or the common depository, as applicable, Euroclear or Clearstream, as the case may be, will credit each purchaser (or its agent or custodian) with a principal amount of Notes of such Class equal to the principal amount thereof for which it has paid. The Holder of the Regulation S Global Notes (which will be DTC or its nominee) shall be the only person entitled to receive payments in respect of the Notes represented by such Regulation S Global Notes, and the Co-Issuers will be discharged by payment to, or to the order of, such Holder of such Regulation S Global Notes in respect of each amount so paid. Each of the persons shown in the records of Euroclear or of Clearstream as the Holder of a particular principal amount of Regulation S Global Notes must look solely to Euroclear or Clearstream, as the case may be, for its share of each payment so made by the Co-Issuers to, or to the order of, the Holder of such Regulation S Global Notes. No person other than the Holder of the Regulation S Global Notes shall have any claim against the Co-Issuers in respect of any payments due on the Regulation S Global Notes.

Payments on the Regulation S Global Notes will be made pursuant to certain procedures established by DTC, Euroclear and Clearstream, *provided* that the final payment of principal and interest will be made upon presentation and endorsement of such Regulation S Global Notes at the office of a Paying Agent.

Rule 144A Global Notes

Upon issuance, the Notes sold in the United States to Qualified Institutional Buyers who are also Qualified Purchasers will be issued in book-entry form (the **"Rule 144A Global Notes"**) only through the facilities of DTC. So long as DTC or its nominee is the registered holder of the Rule 144A Global Notes, DTC or such nominee, as the case may be, will be considered the absolute owner or holder of such the Notes represented by such Rule 144A Global Notes for all purposes under the Indenture and such Notes. DTC or such nominee, as the case may be, will be the only person entitled to receive payments in respect of the Notes represented by such Rule 144A Global Notes and the Co-Issuers will be discharged by payment to DTC or such nominee. Each of the persons shown in the records of DTC as the beneficial owner of a Rule 144A Global Note must look solely to DTC for its share of each payment made by the Issuer to DTC. No person other than DTC shall have any claim against the Co-Issuers in respect of any payment due under the Rule 144A Global Notes.

Payments on the Rule 144A Global Notes will be made in accordance with the established procedures of DTC and the Co-Issuers will have no liability therefor. In addition, no beneficial owner of an interest in a Rule 144A Global Note will be able to exchange or transfer such interest except in accordance with the applicable procedures of DTC. None of the Issuer, the Co-Issuer, the Trustee, the Registrar or any Paying Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Rule 144A Global Notes or for maintaining, supervising or reviewing any records relating thereto.

Definitive Notes

Upon issuance, the Notes sold in the United States to Accredited Investors who are also Qualified Purchasers (but not Qualified Institutional Buyers) will be issued only in definitive fully registered form without coupons and registered in the name of the holder thereof (**"Definitive Notes"**).

Definitive Notes, bearing the appropriate legend, will also be issued and exchanged for each Global Note within 30 days of the occurrence of any of the following: (i) the Notes or any of them become immediately due and payable following an Event of Default under the Indenture; (ii) with respect to the Regulation S Global Notes, either Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business and no alternative clearance system satisfactory to the Trustee is available, (iii) with respect to the Regulation S Global Notes, as a result of any amendment to, or change in, the laws or regulations of Cayman Islands or of any authority therein or thereof having power to tax or in the interpretation or administration of such laws or regulations which becomes effective on or after the Closing Date, the Co-Issuers or the Paying Agents are or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required were the Notes in definitive registered form, or (iv) DTC notifies the Issuer or the Trustee in writing that it is unwilling or unable to discharge properly its responsibilities as a depository with respect to the Rule 144A Global Notes or it ceases to be a "clearing agency" registered under the Exchange Act, and the Issuer and the Trustee are unable to locate a qualified successor within 90 days after such notice. Notwithstanding the foregoing, interests in any Global Note may not be exchanged for a Definitive Note until receipt by the Trustee from the owner of such beneficial interest of a certificate in the form provided by the Indenture.

Any person in whose name a Definitive Note is registered may (to the fullest extent permitted by applicable law) be treated at all times by all persons and for all purposes as the absolute owner of such Note, regardless of any notice of ownership, trust, theft or loss or of any writing thereon.

Payments of principal and interest on the Definitive Notes will be made to the persons in whose names the Definitive Notes are registered as of the applicable Record Date. Payments of principal and interest will be made by wire transfer of immediately available funds by the Paying Agent to the persons entitled thereto at a bank or other appropriate facilities therefor if all necessary wire transfer information has been provided to the Paying Agent and otherwise by check mailed by the Paying Agent to such person as its name and address appear on the Note Register; *provided, however,* that the final distribution of principal in retirement of the Definitive Notes will be made only upon presentation and surrender of the Definitive Notes at the office of any Paying Agent.

Definitive Notes may be presented for registration of transfer (with the form of transfer endorsed thereon duly executed), at the office of the Registrar, without service charge but upon payment of any taxes and other governmental charges as described in the Indenture. Any registration of transfer will be effected upon the Trustee being satisfied with the documents of title and identity of the person making the request, upon their receipt of any applicable certificates and opinions relating to transfer restrictions, as described below, and subject to such reasonable regulations as the Issuer may from time to time agree with the Trustee, all as described in the Indenture.

Exchange and Transfer

The Issuer has initially appointed the Trustee as Registrar, and has appointed Wells Fargo Bank, National Association, as an office or agent located in New York, New York at which the Definitive Notes may be presented for payment or for transfer or exchange. The Issuer reserves the right to vary or terminate the appointment of the Registrar or to appoint additional or other registrars or to approve any change in the office through which any Registrar acts, *provided* that there will at all times be an office or agent located in New York, New York at which the Definitive Notes may be presented for payment or for transfer or exchange.

For so long as any Class of Notes is listed on the Irish Stock Exchange and the rules of such exchange shall so require, the Issuer will have a listing agent and a paying agent (which shall be the **"Irish Paying Agent"**) for the Notes in Ireland and payments on the Notes may be effected through the Irish Paying Agent. In the event that the Irish Paying Agent is replaced at any time during such period, notice of the appointment of any replacement will be given to the Company Announcements Office of the Irish Stock Exchange.

A beneficial interest in a Regulation S Global Note may only be transferred to (a) a non-U.S. person in an offshore transaction (as defined in Regulation S) (an **"Offshore Transaction"**) in accordance with Regulation S (and in accordance with certain certification requirements in the Indenture), (b) a person who takes delivery in the form of an interest in a Rule 144A Global Note and who delivers a written certification (in the form provided in the Indenture) to the effect that such person is a Qualified Institutional Buyer and is acquiring such interest for its own account (together with certain other requirements set forth in the Indenture), or (c) a person who takes delivery in the form of Definitive Note and who delivers a written certification (in the form provided in the Indenture) to the effect that such person is an Accredited Investors and is acquiring such interest for its own account (together with certain other requirements set forth in the Indenture). Upon any exchange of a portion of a Regulation S Global Note for a Rule 144A Global Note or a Definitive Note, as applicable, the Trustee shall endorse such Regulation S Global Note to reflect the reduction of the principal amount evidenced thereby and, if applicable, endorse the Rule 144A Global Note to reflect the increase in the principal amount evidenced thereby.

A beneficial interest in a Rule 144A Global Note may only be transferred, in accordance with the applicable laws of any State of the United States in a transaction exempt from the registration requirements of the Securities Act, to (a) another Qualified Institutional Buyer who takes delivery in the form of an interest in a Rule 144A Global Note without provision of any written certification, (b) a person who takes delivery in the form of Definitive Note and who delivers a written certification (in the form provided in the Indenture) to the effect that such person is an Accredited Investors and is acquiring such interest for its own account (together with certain other requirements set forth in the Indenture), or (c) to a person who takes delivery in the form of a beneficial interest in a Regulation S Global Note and in such case only upon receipt by the Trustee of a written certification from the transferor (in the form provided in the Indenture) to the effect that such transfer is being made to a non-U.S. Person in accordance with Regulation S. Upon any exchange of a Rule 144A Global Note for a Definitive Notes or a beneficial interest in a Regulation S Global Note, as applicable, the Trustee shall endorse such Rule 144A Global Note to reflect the reduction of the principal amount evidenced thereby and, if applicable, endorse the Regulation S Global Note to reflect the increase in the principal amount evidenced thereby.

Definitive Notes (or any interest therein) may only be transferred, in accordance with the applicable laws of any State of the United States in a transaction exempt from the registration requirements of the Securities Act, to (a) a person who takes delivery in the form of Definitive Note and who delivers a written certification (in the form provided in the Indenture) to the effect that such person is an Accredited Investors and is acquiring such interest for its own account (together with certain other requirements set forth in the Indenture); (b) a person who takes delivery in the form of an interest in a Rule 144A Global Note and who delivers a written certification (in the form provided in the Indenture) to the effect that such person is a Qualified Institutional Buyer and is acquiring such interest for its own account (together with certain other requirements set forth in the Indenture), or (c) to a person who takes delivery in the form of a beneficial interest in a Regulation S Global Note and in such case only upon receipt by the Trustee of a written certification from the transferor (in the form provided in the Indenture) to the effect that such transfer is being made to a non-U.S. Person in accordance with Regulation S. Upon any exchange of a Definitive Note for a beneficial interest in a Rule 144A Global Note or a Regulation S Global Note, as applicable, the Trustee shall endorse such Rule 144A Global Note or Regulation S Global Note, as applicable, to reflect the increase in the principal amount evidenced thereby.

The Registrar for the Notes will not be required to accept for registration of transfer any Note except upon presentation of a certificate representing that these restrictions on transfer have been complied with, and, if requested by the Issuer or the Trustee, an opinion of counsel in form and substance satisfactory to the Issuer or the Trustee to the effect that such transfer has been made in compliance with an applicable exemption from the registration requirements of the Securities Act and in accordance with any applicable securities laws of any state of the United States and any other jurisdiction. See "Delivery of the Notes; Transfer Restrictions; Settlement."

No Note may be sold or transferred unless such sale or transfer and subsequent holding will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code. See "Certain ERISA Considerations."

In addition, sales or other transfers of the Notes may only be made to a purchaser or other transferee (other than a non-U.S. Person in an offshore transaction under Regulation S) that is a Qualified Purchaser in a sale or transfer that would not require the Co-Issuers to become subject to the requirements of the Investment Company Act and the Notes will bear a legend to this effect. See "Delivery of the Notes; Transfer Restrictions; Settlement."

Each prospective purchaser will be deemed to (i) represent that such prospective purchaser is a Qualified Institutional Buyer, an Accredited Investors or a non-U.S. Person and is purchasing or acquiring Notes solely for its own account, (ii) represent that such prospective purchaser is a Qualified Purchaser or a non-U.S. Person and (iii) have made the other representations described under "Delivery of the Notes; Transfer Restrictions; Settlement."

Clearing Systems

DTC is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Securities Exchange Act of 1934, as amended (the **"Exchange Act"**). DTC was created to hold securities for its participants (the **"DTC Participants"**) and to facilitate the clearance and settlement of securities transactions between DTC Participants through electronic computerized book-entries, thereby eliminating the need for physical movement of certificates. DTC Participants include securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to the DTC system also is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (**"Indirect Participants"**).

Unless and until Definitive Notes are issued, all references to actions by holders of the Rule 144A Global Notes holding through DTC will refer to actions taken by DTC upon instructions received from beneficial owners of the Rule 144A Global Notes through DTC Participants, and all references herein to payments, notices, reports, statements and other information to holders of Rule 144A Global Notes will refer to payments, notices, reports and statements to DTC or its nominees, as the registered holder of the Rule 144A Global Notes, for distribution to beneficial owners of Rule 144A Global Notes through DTC Participants in accordance with DTC procedures.

Clearstream, Luxembourg is incorporated under the laws of Luxembourg as a professional depository. Clearstream, Luxembourg holds securities for its participating organizations (**"Clearstream, Luxembourg Participants"**) and facilitates the clearance and settlement of securities transactions between Clearstream, Luxembourg Participants through electronic book-entry changes in accounts of Clearstream, Luxembourg Participants, thereby eliminating the need for physical movement of certificates. Clearstream, Luxembourg provides to its Clearstream, Luxembourg Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg interfaces with domestic markets in several countries. As a professional depository, Clearstream, Luxembourg is subject to regulation by the Luxembourg Monetary Institute. Clearstream, Luxembourg Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the Initial Purchasers. Indirect access to Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream, Luxembourg Participant, either directly or indirectly.

Euroclear was created to hold securities for participants of the Euroclear system (**"Euroclear Participants"**) and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. The Euroclear system includes various other services, including securities lending and borrowing and interfaces with domestic markets in several countries generally similar to the arrangements for cross-market transfers with DTC described above. Euroclear is operated by Euroclear Bank S.A./N.V. (the **"Euroclear Operator"**), under contract with Euroclear Clearance System, S.C., a Belgian cooperative corporation (the **"Cooperative"**). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for the Euroclear system on behalf of Euroclear Participants. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the Initial Purchasers. Indirect access to the Euroclear system is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

The Euroclear Operator is the Belgian branch of a New York banking corporation which is a member bank of the Federal Reserve System. As such, it is regulated and examined by the Board of Governors of the Federal Reserve System and the New York State Banking Department, as well as the Belgian Banking Commission.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System and applicable Belgian law (collectively, the **"Terms and Conditions"**). The Terms and Conditions govern transfers of securities and cash within the Euroclear system, withdrawal of securities and cash from the Euroclear system, and receipts of payments with respect to securities in the Euroclear system. All securities in the Euroclear system are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants and has no record of or relationship with persons holding through Euroclear Participants.

## SECURITY FOR THE NOTES

Portfolio Collateral – General

The Notes will be secured by the Trust Estate. The Class P1 Combination Notes will not be secured by the Trust Estate and the Notes will not be entitled to the Class P1 Collateral. The Trust Estate will consist of substantially all property of the Issuer, including the Portfolio Collateral, the benefit of Guarantees, the Collection Account, the Swap Agreement, the Initial Deposit Account, the Expense Reimbursement Account, the Initial Period Reserve Account and the Closing Expense Account.

The Portfolio Collateral will consist of the following:

(a) trust preferred securities (the **"Trust Securities"**) issued by wholly-owned trust subsidiaries of Affiliated HCs (each, a **"Trust Securities Issuer"**), sold to the Issuer in the original issuance and placed by Bear, Stearns & Co. Inc. and SunTrust Capital Markets, Inc.;

(b) subordinated notes with an original maturity not exceeding 30 years (the **"Bank Subordinated Notes"**) issued by any bank, thrift, other depository institution or its parent holding company (the **"Bank Note Issuers"**); and

(c) trust preferred securities (the **"Secondary Market Trust Securities"** or **"SMTS"** and, together with the Trust Securities and the Bank Subordinated Notes, the **"Portfolio Collateral"**) issued by trust subsidiaries of Affiliated HCs (each, a **"SMTS Issuer"** and, together with the Trust Securities Issuers and the Bank Note Issuers, the **"Portfolio Collateral Issuers"**), which are to be acquired by the Issuer in the secondary market.

Simultaneously with the issuance of the Notes, an Aggregate Principal Amount of Initial Portfolio Collateral (which, for the avoidance of doubt, shall be acquired by the Issuer without any interest that may have accrued on such Portfolio Collateral up to the Closing Date) securing the Notes at least equal to $501,680,000 (the **"Initial Portfolio Collateral Amount"**) will be acquired by the Issuer from the net proceeds of the sale of the Notes and the Preferred Shares. See "Use of Proceeds." The Issuer will also pledge the Deposit (consisting of cash deposited in the Initial Deposit Account in the approximate amount such that the Aggregate Principal Amount of total Portfolio Collateral purchased by the Issuer on or before the Effective Date will at least equal the Required Portfolio Collateral Amount) to the Trustee on the Closing Date, which Deposit will be invested in Eligible Investments pending an investment in Portfolio Collateral on or before the Effective Date, subject to the requirements and restrictions set forth in the Indenture. The Initial Portfolio Collateral is expected to be acquired from or through Bear, Stearns & Co. Inc. and STI Investment Management, Inc. (an affiliate of SunTrust Capital Markets, Inc.) and the remaining Portfolio Collateral may be acquired from or through Bear, Stearns & Co. Inc. and SunTrust Capital Markets, Inc. at negotiated prices acceptable to the Issuer.

**Annex B provides certain information with respect to certain Initial Portfolio Collateral that, as of the date of this Confidential Offering Circular, has been identified by the Issuer for purchase on the Closing Date. Upon execution of a satisfactory confidentiality agreement, prospective purchasers of the Notes may obtain a list of the names of the Portfolio Collateral Issuers and the Affiliated HCs from the Initial Purchasers at the following addresses: Bear, Stearns & Co. Inc., 383 Madison Avenue, 7th Floor, New York, New York 10179, Attention: CDO Group and SunTrust Capital Markets, Inc., 303 Peachtree Street NW, 26th Floor, Atlanta, Georgia 30308, Attention: SunTrust Robinson Humphrey. Prospective purchasers of the Notes should consider and assess for themselves all information, including publicly available information, and risks associated with respect to such Affiliated HCs.**

The Issuer will use commercially reasonable efforts to acquire by October 15, 2005 (the **"Effective Date"**), Portfolio Collateral having an Aggregate Principal Amount equal at least to the Required Portfolio Collateral Amount. Upon identification of any Portfolio Collateral that is not included in Schedule A to the Indenture that meets the criteria specified in the Indenture, as described in this Confidential Offering Circular, the Issuer will give notice to the Preferred Shareholders seeking their approval of the purchase of the Portfolio Collateral so identified. The Issuer will not purchase such Portfolio Collateral unless the majority of the Preferred Shares (excluding for this purpose any Preferred Shares held by Bear, Stearns & Co. Inc., SunTrust Capital Markets, Inc. or any Affiliate thereof) has approved such purchase; *provided, however*, that the approval of such Preferred Shareholders representing a majority of the Preferred Shares will be deemed to have been received if no objection to the purchase is received by the Issuer from the holders of at least 50% of the Preferred Shares within 10 Business Days of receipt of the Issuer's notice by the Preferred Shareholders.

If the Issuer is unable to invest the full amount of the Deposit on or prior to the Effective Date in additional Portfolio Collateral having an Aggregate Principal Amount, together with the Initial Portfolio Collateral, at least equal to the Required Portfolio Collateral Amount, the Issuer will be required to effect an Initial Deposit Redemption on the Initial Deposit Redemption Date as described herein.

Portfolio Collateral Criteria

On the Closing Date and with respect to each purchase after the Closing Date through the Effective Date, the Portfolio Collateral will comply with the following guidelines:

(a) the Portfolio Collateral will be denominated in U.S. dollars;

(b) the Principal Balance of any item of Portfolio Collateral issued by the Portfolio Collateral Issuer of any one Affiliated HC will not account for more than 3% of the Required Portfolio Collateral Amount, except for one item of Portfolio Collateral issued by a Portfolio Collateral Issuer of one Affiliated HC the Principal Balance of which will account for 3.5% of the Required Portfolio Collateral Amount;

(c) the aggregate Principal Balance of the SMTS will not account for more than 10% of the Required Portfolio Collateral Amount;

(d) the Portfolio Collateral, in the aggregate, will have a Moody's implied weighted average rating factor of not more than 480, a default probability equivalent to a Moody's weighted average rating of between "Baa2" and "Baa3"(such default probability should not be viewed as a Moody's rating, which is based on expected loss and which would also incorporate expected recovery rates in the case of a default);

(e) the Portfolio Collateral that bears interest at a floating rate will have an initial weighted average floating rate spread of at least 2.04%, and, for Portfolio Collateral that includes a fixed rate period, will have an initial weighted average spread to the relevant swap rate (on the date of funding) for such fixed rate period of at least 1.94%;

(f) the Portfolio Collateral, in the aggregate, will have, on the Effective Date, a Moody's diversity score of not less than 17 (the Moody's diversity score measures the concentration of the Portfolio Collateral in terms of Portfolio Collateral Issuers and geographical regions set forth in Annex B);

(g) the Portfolio Collateral satisfies the S&P Ramp-Up Test (or, if such test is not satisfied, Portfolio Collateral may be purchased with approval from S&P);

(h) each item of the Portfolio Collateral will have a credit rating or a credit estimate from S&P;

(i) each item of Portfolio Collateral will be evaluated by Fitch's Financial Institution group; and

(j) each item of Portfolio Collateral will have an implied rating from Moody's.

S&P CDO Ramp-Up Test

The **"S&P CDO Ramp-Up Test"** will be satisfied if, after giving effect to the purchase of an item of Portfolio Collateral, (i) the S&P Loss Differential (defined below) of the Proposed Portfolio (defined below) is positive or (ii) the S&P Loss Differential of the Proposed Portfolio is greater than the S&P Loss Differential of the Current Portfolio (defined below).

The **"S&P Loss Differential"** at any time, is the rate calculated by subtracting the S&P Scenario Loss Rate (defined below) from the S&P Break-even Loss Rate (defined below) at such time.

The **"S&P Scenario Loss Rate"** at any time, is an estimate of the cumulative default rate for the Current Portfolio or the Proposed Portfolio, as applicable, consistent with a "AAA" rating by S&P with respect to the Class A-1 Notes and a "AA-" rating by S&P with respect to the Class A-2L Deferrable Notes, determined by application of the S&P Evaluator (defined below) at such time.

The **"S&P Break-even Loss Rate"** means, as of any date of determination, the maximum percentage of defaults which the Current Portfolio or the Proposed Portfolio, as applicable, can sustain, as determined by S&P, which, after giving effect to S&P's assumptions on recoveries and timing and to the priority of payments, will result in sufficient funds remaining for the principal repayment of the Notes in full and the timely payment, as applicable, of interest on each Class of Notes, as set forth in the Indenture.

The **"Current Portfolio"** means the portfolio (measured by principal balance) of Portfolio Collateral and Eligible Investments, immediately prior to the acquisition of an item of Portfolio Collateral.

The **"Proposed Portfolio"** means the portfolio (measured by principal balance) of Portfolio Collateral and Eligible Investments resulting from a proposed purchase of an item of Portfolio Collateral.

The **"S&P Evaluator"** is a dynamic, analytical computer model developed by S&P and used to estimate default risk of items of Portfolio Collateral and provided to the Trustee and the Issuer on or before the Closing Date, as it may be modified by S&P from time to time. The S&P Evaluator calculates the cumulative default rate of a pool of Portfolio Collateral consistent with a specified benchmark rating level based upon S&P's proprietary corporate debt default studies. In calculating the S&P Scenario Loss Rate, the S&P Evaluator considers each obligor's most senior unsecured debt rating, the number of obligors in the portfolio, the obligor and industry concentration in the portfolio and the remaining weighted average maturity of the Portfolio Collateral and calculates a cumulative default rate based on the statistical probability of distributions of defaults on the Portfolio Collateral.

Description of the Trust Securities

*The description in this section is a summary description of typical terms of securities such as the Trust Securities that are expected to be purchased by the Issuer on the Closing Date. Such description is intended as indicative only; the terms of each Trust Security may differ in one or more respects, and such differences may be material. Any additional Trust Securities, purchased by the Issuer on and after the Closing Date, are required to have terms and conditions substantially similar to the Trust Securities set forth in Annex B, except as to maturity dates, payment dates, coupon rates and call premiums. The summary does not purport to be complete and is subject to and qualified in its entirety by reference to the respective Declarations. Copies of the form of Declaration in respect of the Trust Securities may be obtained by Noteholders upon request in writing to the Trustee at its Corporate Trust Office and by prospective purchasers of Notes from the Initial Purchasers.*

*Terms of the Trust Securities*

The Trust Securities issued by each Trust Securities Issuer will be issued pursuant to the terms of a Declaration of Trust or similar document (in respect of such Trust Securities Issuer, the **"Declaration"**). Each Trust Securities Issuer is expected to be organized as a statutory trust under the laws of the State of Delaware. The parent Affiliated HC of each Trust Securities Issuer generally will own all of the beneficial interests represented by common securities of such Trust Securities Issuer (the **"Common Securities"** of such Trust Securities Issuer). The Issuer may or may not be the sole holder of all of the Trust Securities issued under each Declaration.

Each Trust Securities Issuer will use the proceeds from its sale of its Trust Securities and Common Securities to purchase the junior subordinated deferrable interest debentures issued by its parent Affiliated HC (in respect of such Trust Securities Issuer, the **"Corresponding Debentures"**). Each Trust Securities Issuer's only source of cash to make distributions on its Trust Securities will be payments it receives from its parent Affiliated HC on its Corresponding Debentures. Payments on the Trust Securities issued by each Trust Securities Issuer will be guaranteed to the extent described herein by its parent Affiliated HC (in respect of such Trust Securities Issuer, the **"Guarantee"**). The Trust Securities generally will be denominated in an aggregate stated liquidation amount that will be equal to the principal amount of the Corresponding Debentures less the issue price of the Common Securities. Such aggregate stated liquidation amount is referred to herein as the **"Principal Balance"** of the Trust Securities.

*Distributions*

Distributions on the Trust Securities generally will accumulate and, except during any Extension Period, will be payable quarterly or semi-annually with respect to a limited number of Trust Securities, in arrears on each Trust Securities Payment Date when, as and if available for payment. Each Trust Security will receive distributions payable on such Trust Security at the applicable Trust Securities Rate.

Distributions on the Trust Securities that are in arrears for more than one quarterly period generally will bear interest compounded quarterly, to the extent lawful, at the applicable Trust Securities Rate. Distributions on the Trust Securities will be payable only to the extent that payments are made in respect of the Corresponding Debentures and to the extent the Trust Securities Issuer has funds available therefor. The amount of distributions payable for any period may be computed on the basis of (i) the actual number of days in related quarterly accrual period and a 360-day year or (ii) a 360-day year of twelve 30-day months, as provided therein.

Each Affiliated HC generally has the right, at any time and from time to time so long as no "event of default" under its Affiliated HC Indenture has occurred and is continuing, to defer payments of interest on its Corresponding Debentures by extending the interest payment period thereunder for a specified number (generally up to 20) consecutive quarterly periods (each, an **"Extension Period"**); but not beyond the maturity date of the related Trust Securities issued by its subsidiary Trust Securities Issuer. During any Extension Period, interest will continue to accrue on the Corresponding Debentures at the applicable Trust Securities Rate, and interest on such deferred interest, to the extent permitted by law, will also accrue at such Trust Securities Rate from the date such deferred interest would have been payable were it not for the Extension Period. Interest that is accrued and unpaid on any Trust Securities or the Corresponding Debentures, and interest thereon as described above, is referred to as **"Deferred Interest."** At the end of any such Extension Period, such Affiliated HC generally will be required to pay to the applicable Trust Securities Issuer, and such Trust Securities Issuer will be required to pay to the Issuer, to the extent allocable to the Trust Securities, all interest then accrued and unpaid on the Corresponding Debentures (including Deferred Interest).

Prior to the termination of any Extension Period, an Affiliated HC may further extend such period, so long as such period together with all such previous and further consecutive extensions thereof does not exceed the specified number of consecutive quarters or extend beyond the maturity date of the Corresponding Debentures. Upon the termination of any Extension Period and upon the payment of all accrued and unpaid interest (including Deferred Interest), an Affiliated HC may commence a new Extension Period, subject to the foregoing requirements.

During any Extension Period, the applicable Affiliated HC may not, except in certain limited circumstances, (i) declare or pay any dividends or distributions on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any of its capital stock, or (ii) make any payment of principal of or interest or premium, if any, on or repay, repurchase or redeem any of its debt securities that rank *pari passu* with or junior to the related Corresponding Debentures.

During an Extension Period on any Corresponding Debentures, the Trust Securities Issuer holding such Corresponding Debentures will similarly defer distributions on its Trust Securities. If distributions on any Trust Securities are deferred as a result of an Extension Period, the distributions due will be paid on the date on which the related Extension Period terminates or, if such date is not a Trust Securities Payment Date, on the immediately following Trust Securities Payment Date.

*Redemption and Prepayments*

Each Trust Securities Issuer will redeem its Trust Securities when the Corresponding Debentures are paid at maturity, which shall be a date no later than October 2035 or upon earlier redemption of such Corresponding Debentures.

The Corresponding Debentures generally may be redeemed by the issuing Affiliated HC, in whole or (provided that all accrued and unpaid interest has been paid on such Corresponding Debentures for all interest periods terminating on or prior to such redemption date) in part, on any Trust Securities Payment Date on or after the date (the "Accelerated Maturity Date") specified in the Corresponding Debentures, at a redemption price equal to the principal amount to be redeemed *plus* any accrued and unpaid interest thereon (the **"Debenture Optional Redemption Price"**).

In addition, the Corresponding Debentures generally may be redeemed by the issuing Affiliated HC, in whole but not in part, at any time, upon the occurrence and continuation of certain other events, including a Tax Event, an Investment Company Event or a Capital Treatment Event (each, a **"Special Event"**) for a redemption price (the **"Debenture Special Redemption Price"**) equal to the principal balance of the Corresponding Debentures to be redeemed *plus* any accrued and unpaid interest thereon *plus,* with respect to a redemption occurring before the Accelerated Maturity Date, the related amount of premium, if any.

In all cases, the right of an Affiliated HC to redeem its Corresponding Debentures is subject to receipt of prior approval of the Applicable Regulator, if then required under applicable capital guidelines or policies of the Applicable Regulator.

Upon the maturity or redemption in whole or in part of the Corresponding Debentures of any Affiliated HC (other than following the distribution of such Corresponding Debentures to holders of the related Trust Securities), the proceeds from such repayment or payment received by any Trust Securities Issuer are required to be concurrently applied to redeem its Trust Securities having an aggregate Principal Balance equal to the aggregate principal amount of the Corresponding Debentures so repaid or redeemed at a redemption price equal to the outstanding Principal Balance of such Trust Securities to be redeemed *plus* accumulated and unpaid distributions to the redemption date *plus* the related amount of any premium (the **"Trust Securities Redemption Price"**). The Trust Securities Redemption Price paid to the Issuer will constitute Collateral Principal Collections or Collateral Interest Collections, as determined herein, and will be applied by the Trustee in the manner and order of priority set forth herein under "Description of the Notes – Payments on the Notes; Priority of Distributions."

*Description of the Corresponding Debentures*

*General.* Concurrently with the issuance of its Trust Securities, each Trust Securities Issuer will invest the proceeds thereof in Corresponding Debentures up to the aggregate Principal Balance of the related Trust Securities and the issue price of the Common Securities. The consideration received by such Trust Securities Issuer from its parent Affiliated HC for its Common Securities will also be invested in Corresponding Debentures. The Corresponding Debentures will represent junior subordinated, unsecured debt and will be issued pursuant to separate Affiliated HC Indentures.

All of the Corresponding Debentures in respect of the Trust Securities Issuers will mature and become due and payable, together with any accrued and unpaid interest thereon, including Deferred Interest and Additional Amounts, if any, on or before October 2035.

Affiliated HC Indentures generally will not contain provisions that afford the Trust Securities Issuer, as the holder of the Corresponding Debentures, protection in the event of a highly leveraged transaction or other similar transaction involving the Affiliated HC that may adversely affect such holders.

*Subordination*. Each Affiliated HC Indenture provides that the Corresponding Debentures will be subordinated and junior in right of payment to all present and future Senior Indebtedness of the applicable Affiliated HC. No payment of principal (including redemption payments) or interest on the Corresponding Debentures may be made if (i) any Senior Indebtedness of such Affiliated HC is not paid when due (after the expiration of any applicable grace period) or (ii) the maturity of any Senior Indebtedness of such Affiliated HC has been accelerated because of a default and such acceleration has not been rescinded or cancelled. In the event of any dissolution, winding-up, liquidation, reorganization, or in bankruptcy, insolvency, receivership or other proceedings with respect to the Affiliated HC, all principal and interest due or to become due on all Senior Indebtedness of the Affiliated HC must be paid in full before the holders of the Corresponding Debentures are entitled to receive or retain any payment. There is no limit to the aggregate amount of Senior Indebtedness that may be issued by any Affiliated HC.

The right of an Affiliated HC to participate in any distribution of assets of any subsidiary upon such subsidiary's liquidation or reorganization or otherwise is subject to the prior claims of creditors of that subsidiary, except to the extent the Affiliated HC may itself be recognized as a creditor of that subsidiary. Each Affiliated HC relies primarily on dividends from such subsidiaries to meet its obligations for payment of principal and interest on its outstanding debt obligations and corporate expenses. Accordingly, the principal source of the Affiliated HC's income are dividends, interest and fees from its subsidiaries. The banking or financial institution subsidiaries, as applicable, of each Affiliated HC are subject to certain restrictions imposed by applicable law on any extensions of credit to, and certain other transactions with the Affiliated HC and certain other affiliates and on investments in stock or other securities thereof. In addition, payment of dividends to an Affiliated HC by its banking or financial institution subsidiaries, as applicable, is subject to ongoing review by regulators and is subject to various statutory limitations and in certain circumstances requires approval by regulatory authorities. Accordingly, each Affiliated HC's obligations under its Corresponding Debentures will be effectively subordinated to all existing and future liabilities of that Affiliated HC's subsidiaries.

*Redemption*. Each Affiliated HC may redeem its Corresponding Debentures, in whole or in part, from time to time, as described in "– Description of the Trust Securities – Redemption and Prepayments."

*Interest*. Each Corresponding Debenture will bear interest at a floating or fixed rate in the same amounts and in the same manner as the related Trust Security as described above under "– Description of the Trust Securities – Terms of Trust Securities."

*Option to Extend Interest Payment Period*. So long as an Affiliated HC is not in default in the payment of interest that has become due and payable on its Corresponding Debentures and no Deferred Interest from a prior completed Extension Period is unpaid, each Affiliated HC will have the right to defer payments of interest on its Corresponding Debentures as described in "– Description of the Trust Securities –Distributions."

*Additional Amounts*. If at any time as a result of a Tax Event a Trust Securities Issuer is required to pay any taxes, duties, assessments or governmental charges of whatever nature (including withholding taxes) imposed by the United States, or any other taxing authority, then, in any such case, its parent Affiliated HC will pay as additional amounts (**"Additional Amount"**) on the Corresponding Debentures such additional amounts as shall be required so that the net amounts received and retained by the Trust Securities Issuer after paying any such taxes, duties, assessments or other governmental charges will equal the amounts the Trust Securities Issuer and the Institutional Trustee would have received had no such taxes, duties, assessments or other governmental charges been imposed.

*Certain Covenants*. The Affiliated HC Indentures contain covenants of the Affiliated HC, including a limitation on the ability of the Affiliated HC to declare or pay any dividends or distributions on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any of its capital stock, or to make any payment on any of its debt securities that rank *pari passu* with or junior to the related Corresponding Debentures if (i) there has occurred and is continuing any event that would constitute an event of default under the Affiliated HC Indenture, (ii) the Affiliated HC is in default with respect to its payment of any obligations under its Guarantee, or (iii) the Affiliated HC has deferred payments of interest on its Corresponding Debentures.

In addition, the parent Affiliated HC of each Trust Securities Issuer generally covenants that, for so long as any Trust Securities and Common Securities remain outstanding, it will maintain 100% ownership of the Common Securities of such Trust Securities Issuer.

*Limitation on Mergers and Sales of Assets*. The Affiliated HC Indentures generally provide that the Affiliated HC may consolidate or merge with or into any other Person (whether or not affiliated with such Affiliated HC), or sell, convey, transfer or otherwise dispose of its or its successor or successors property as an entirety, or substantially as an entirety, so long as the Affiliated HC causes the obligations of such Affiliated HC under its Corresponding Debentures and the related Affiliated HC Indenture to be expressly assumed by the applicable successor entity.

*Events of Default, Waiver and Notice*. Each Affiliated HC Indenture generally provides that any one or more of the following described events which has occurred and is continuing with respect to the Corresponding Debentures issued pursuant to such Affiliated HC Indenture constitutes an "event of default" with respect to the Corresponding Debentures:

(a) except in the case of a valid extension of interest payments during an Extension Period, default for 30 days in payment of any interest on such Corresponding Debentures, as and when such interest shall become due and payable; or

(b) default in payment of principal on such Corresponding Debentures when due either at maturity, upon redemption, by declaration of acceleration or otherwise; or

(c) default by an Affiliated HC in the performance of, or breach of, certain covenants or agreements in the Affiliated HC Indenture which shall not have been remedied for the period specified in the Affiliated HC Indenture after written notice by the Debenture Trustee or by the holders of the related Corresponding Debentures; or

(d) certain events of bankruptcy, insolvency, liquidation, reorganization or rehabilitation, as applicable, of the Affiliated HC; or

(e) the Liquidation of the Affiliated HC's subsidiary Trust Securities Issuer, except in connection with the distribution of the Corresponding Debentures to the holders of Trust Securities and Common Securities in liquidation of the Trust Securities Issuer, the redemption of all of the Trust Securities and Common Securities, or certain mergers, consolidations or amalgamations, permitted by the related Declaration; or

(f) the Affiliated HC ceases to be subject to regulation or supervision by the Applicable Regulator.

If an event of default (except the one specified in clause (c) above, but only so long as an Affiliated HC remains subject to the supervision of the Applicable Regulator) shall have occurred and be continuing, either the Debenture Trustee or the holders of a specified percentage of the Corresponding Debentures may declare the principal of and accrued interest on all such Corresponding Debentures to be due and payable immediately, but upon certain conditions such declarations may be annulled and past defaults may be waived (except defaults in payment of principal of or interest or premium on the Corresponding Debentures, which must be cured or paid in full) by the holders of a specified percentage of such Corresponding Debentures then outstanding.

So long as an Affiliated HC remains subject to the supervision of the Applicable Regulator, if an event of default specified in clause (c) above shall have occurred and be continuing, the Corresponding Debentures generally may not be declared to be due and payable immediately, but the Debenture Trustee shall be entitled to pursue all available remedies at law and/or equity against such Affiliated HC.

An event of default under an Affiliated HC Indenture, a default by a Trust Securities Issuer to make distributions or redemption payments, when due and payable, or the bankruptcy of the Institutional Trustee and failure to appoint a successor within 60 days constitute events of default under the related Declaration (each, a **"Declaration Event of Default"**). Upon the occurrence of any Declaration Event of Default, the Institutional Trustee, so long as it is the sole holder of the Corresponding Debentures, will have the right to declare the principal of and interest on the Corresponding Debentures to be immediately due and payable (if and as permitted under the terms of such Corresponding Debenture). A waiver of any event of default under an Affiliated HC Indenture will constitute a waiver of the corresponding Declaration Event of Default.

*Effect of Obligations*

The Corresponding Debentures and the related Trust Securities have been structured such that, so long as payments of interest and other payments are made when due on the Corresponding Debentures, such payments will be sufficient to cover distributions and payments due on the related Trust Securities. Payments of amounts due on the Trust Securities (to the extent funds therefor are available to a Trust Securities Issuer) are guaranteed by the parent Affiliated HC of each Trust Securities Issuer as and subject to the limitations described below.

If an Affiliated HC fails to make interest or other payments on the Corresponding Debentures when due (after giving effect to any Extension Period) or another event of default under the related Affiliated HC Indenture has occurred and is continuing, the holder of the Trust Securities (which will be the Issuer) generally may direct the Institutional Trustee, to the fullest extent permitted by law, to enforce its rights under the Corresponding Debentures. If the Institutional Trustee fails to enforce its rights under the Corresponding Debentures after a majority in Principal Balance of the Trust Securities have so directed it to do so, a holder of record of the Trust Securities may to the fullest extent permitted by law institute a legal proceeding against the Affiliated HC to enforce the rights under the Corresponding Debentures. Notwithstanding the foregoing, if a Declaration Event of Default has occurred and is continuing and such event is attributable to the failure of the Affiliated HC to pay principal or interest on the Corresponding Debentures on the respective dates such principal or interest is payable (or in the case of redemption, on the Redemption Date), then a holder of record of the Trust Securities may institute a direct cause of action for payment on or after the respective due dates specified in the Corresponding Debentures.

The provisions described above are intended to enable the Trustee to effectively enforce the Noteholders' rights if a default occurs on any Trust Securities or Corresponding Debentures. The Indenture will provide that if such a default occurs, the Requisite Noteholders and, to the extent adversely affected thereby, the holders of 66-2/3% of the Preferred Shares will have the right to direct the Trustee with respect to any action to be taken by the Trustee, including, without limitation, engaging in restructuring efforts, bringing enforcement proceedings, engaging investment banking or asset management firms and/or taking any other measures. Because of the illiquid nature of the Trust Securities, it is unlikely that the Trustee would be able to sell any defaulted Trust Securities, or upon a Liquidation, Corresponding Debentures, on economically acceptable terms. Because the Trustee will be the record owner of the Trust Securities, it will also be responsible for approving or disapproving any waiver or amendment of the terms of the Trust Securities that may be requested by a Trust Securities Issuer, and the terms of the Trust Securities will require the Trustee's consent to any waiver or amendment to the Corresponding Debentures or Guarantees. In determining any action to be taken with respect to a defaulted Trust Security or any response to a waiver or amendment request concerning any Trust Securities, Corresponding Debenture or Guarantee, the Trustee may retain advisors selected by it (including legal advisors and investment banking or asset management firms), whose fees will constitute Issuer Base Administrative Expenses payable from Collections and the Trustee will be fully protected with respect to any action taken by it in reasonable good faith reliance on advice provided by such advisors. Notwithstanding any such advice the Trustee may receive, the Requisite Noteholders will have the right under the Indenture to direct the Trustee with respect to any such action to be taken by it.

*Guarantee*

Each Affiliated HC will irrevocably and unconditionally agree, to the extent set forth in its Guarantee, to pay in full, to holders of the Trust Securities issued by its subsidiary Trust Securities Issuer (except to the extent paid by the Trust Securities Issuer), as and when due: (i) any accrued and unpaid distributions which are required to be paid on the Trust Securities, to the extent the Trust Securities Issuer has funds available therefor; (ii) the applicable redemption price of any Trust Securities called for redemption by such Trust Securities Issuer, to the extent the Trust Securities Issuer has funds available therefor; and (iii) upon Liquidation of such Trust Securities Issuer (other than in connection with the distribution of the Corresponding Debentures to holders of the Trust Securities in exchange therefor), an amount equal to the lesser of (a) the Liquidation Distribution, to the extent such Trust Securities Issuer has funds available therefor and (b) the amount of assets of the Trust Securities Issuer remaining available for distribution to holders in the liquidation of the Trust Securities Issuer. An Affiliated HC's obligation to make a payment under its Guarantee may be satisfied by direct payment of the required amounts by such Affiliated HC to the holders of the related Trust Securities or by causing such Trust Securities Issuer to pay such amounts to such holders.

The Guarantees will not apply to any payment of distributions on the Trust Securities except to the extent the related Trust Securities Issuer has funds available therefor, which funds will not be available except to the extent such Trust Securities Issuer's parent Affiliated HC has made payments of interest or principal or other payments on the Corresponding Debentures purchased by such Trust Securities Issuer. Because each Guarantee is a guarantee of payment and not of collection, holders of Trust Securities may proceed directly against the Affiliated HC, rather than having to proceed against the Trust Securities Issuer before attempting to collect from the Affiliated HC, and the Affiliated HC waives any right or remedy to require that any action be brought against the Trust Securities Issuer or any other person or entity before proceeding against the Affiliated HC.

Each Guarantee will be deposited with a guarantee trustee to be held for the benefit of the holders of Trust Securities. Except as otherwise noted herein, the guarantee trustee has the right to enforce the Guarantee on behalf of holders of the Trust Securities.

Each Affiliated HC's obligations under its Guarantee will be subordinate and junior in right of payment to all present and future Senior Indebtedness of such Affiliated HC and are also effectively subordinated to claims of creditors of the Affiliated HC's subsidiaries. Because each Affiliated HC is a holding company, the right of any Affiliated HC to participate in any distribution of assets of any of its subsidiaries upon such subsidiary's liquidation or reorganization or otherwise is subject to the prior claims of creditors of that subsidiary, except to the extent the Affiliated HC may itself be recognized as a creditor of that subsidiary. Accordingly, an Affiliated HC's obligations under its Guarantee will be effectively subordinated to all existing and future liabilities of such Affiliated HC's subsidiaries, and claimants may look only to the assets of such Affiliated HC for payments thereunder.

*Liquidation and Distribution Upon Dissolution*

In the event of the voluntary or involuntary liquidation, dissolution, winding-up or termination of a Trust Securities Issuer (each a **"Liquidation"**) other than in connection with a redemption of Corresponding Debentures, holders of the Trust Securities generally will be entitled to receive out of the assets of such Trust Securities Issuer available for distribution to holders of the Trust Securities, after satisfaction of liabilities to creditors of the Trust Securities Issuer (to the extent not satisfied by the Affiliated HC), distributions equal to the aggregate Principal Balance of the Trust Securities *plus* accrued and unpaid distributions thereon to the date of payment (such amount being the **"Liquidation Distribution"),** unless in connection with such Liquidation, the Corresponding Debentures in an aggregate stated principal amount equal to the aggregate stated Principal Balance of such Trust Securities are distributed on a *pro rata* basis to the Issuer, as the holder of the Trust Securities, in exchange for such Trust Securities.

Each Affiliated HC generally has the right at any time to dissolve its subsidiary Trust Securities Issuer (including without limitation upon the occurrence of a Special Event), subject to the receipt by such Affiliated HC of prior approval from the Applicable Regulator, if then required under applicable capital guidelines or policies of the Applicable Regulator and, after satisfaction of liabilities to creditors of such Trust Securities Issuer, cause the Corresponding Debentures to be distributed to the Issuer, as the holder of the Trust Securities, on a *pro rata* basis in accordance with the aggregate stated Principal Balance thereof.

Each Trust Securities Issuer will dissolve on the first to occur of (i) the expiration of the term of such Trust Securities Issuer, (ii) the bankruptcy or insolvency of its parent Affiliated HC or such Trust Securities Issuer, (iii) the filing of a certificate of dissolution of its parent Affiliated HC or the revocation of the charter of its parent Affiliated HC (other than in connection with a permitted merger, consolidation or similar transaction), (iv) the distribution to holders of Trust Securities of the Corresponding Debentures, (v) the entry of a decree of a judicial dissolution of such Trust Securities Issuer or its Affiliated HC or (vi) when all of the Trust Securities and the Common Securities have been called for redemption and the amounts necessary for redemption thereof shall have been paid to the holders in accordance with the terms of thereof.

If a Liquidation occurs as described above, a Trust Securities Issuer shall be liquidated by distributing to the holders of the Trust Securities and Common Securities, after satisfaction of liabilities to creditors of such Trust Securities Issuer, to the extent not satisfied by the Affiliated HC, the Corresponding Debentures, unless such distribution is determined by the Institutional Trustee not to be practical, in which event such holders will be entitled to receive out of the assets of the Trust Securities Issuer available for distribution to holders, after satisfaction of liabilities to creditors of the Trust Securities Issuer to the extent not satisfied by the Affiliated HC, an amount equal to the Liquidation Distribution.

If Corresponding Debentures are distributed to the Issuer, such Corresponding Debentures will become Portfolio Collateral and will be treated as if they were the related Trust Securities.

Description of the Secondary Market Trust Securities

The Secondary Market Trust Securities or SMTS will be purchased by the Issuer on or after the Closing Date in market transactions from the sellers thereof, who will not be the issuers of such securities. SMTS will be trust preferred or similar capital securities issued by trust subsidiaries of bank holding companies and thrift holding companies. SMTS will generally have terms similar to the Trust Securities, but may have, among others, different coupon rates, call premiums, payment date frequencies and maturity dates.

The documentation for each SMTS is not the same as the documentation for the Trust Securities. With respect to each SMTS, the documentation for the SMTS Corresponding Debentures, Guarantee and Declaration relating to such SMTS is not the same as the form of documents used for the Corresponding Debentures, Guarantee and Declaration relating to a Trust Security. While the documentation for such SMTS contain provisions for the same subject matter, the treatment of that subject matter may differ from the treatment of that subject matter under the Trust Securities documents. To the extent it possesses the documentation relating to a SMTS, the Issuer will make it available to prospective purchasers upon written request.

Distributions on the SMTS may be payable quarterly or semiannually in arrears, in each case on dates which may be different from the Trust Securities Payment Dates. In addition, the SMTS may bear interest at a floating or fixed rate.

Each SMTS Issuer will redeem its SMTS when the SMTS Corresponding Debentures related to such SMTS are paid at maturity, or upon earlier redemption of such SMTS Corresponding Debentures. In addition, the wording of the definition of the "Special Event" in the case of the SMTS documentation for such SMTS differs somewhat from that in the Trust Securities documentation.

Description of the Bank Subordinated Notes

The Bank Subordinated Notes which may be purchased by the Issuer on or after the Closing Date directly from the issuer of such Bank Subordinated Notes or through the Initial Purchasers will have an original maturity not exceeding 30 years, will be fixed or floating rate bank subordinated notes, payable quarterly or semi-annually and will have been structured and are intended by the issuer thereof to be eligible for Tier 2 capital treatment. At the time of issue an opinion of counsel will be received by the Bank Note Issuer indicating that such Bank Subordinated Notes would be treated as debt for U.S. withholding tax purposes.

Accounts

All Collections will be remitted to the Collection Account and will be available, to the extent described herein, for application in the manner and for the purposes described herein. Funds held in the Collection Account will be invested by the Trustee as soon as practicable in Eligible Investments. All Eligible Investments in the Collection Account must mature on or before the Business Day prior to the next Payment Date.

All cash pledged to the Trustee on the Closing Date which is to be invested in additional Portfolio Collateral on or before the Effective Date will be deposited into the Initial Deposit Account. Funds held in the Initial Deposit Account pending investment in additional Portfolio Collateral will be invested by the Trustee in Eligible Investments. Eligible Investments in the Initial Deposit Account are to mature on or before the date on which such funds are to be invested in additional Portfolio Collateral, *provided that*, to the extent the Deposit in the Initial Deposit Account is not so invested on or before the Effective Date such uninvested amount will be applied to Initial Deposit Redemption of the Notes, in the order described herein, or deposited in the Collection Account as described herein. If, at any time prior to the Effective Date, the Aggregate Principal Amount of the Portfolio Collateral exceeds the Required Portfolio Collateral Amount and there are funds remaining from the Deposit held in the Initial Deposit Account, so long as the Overcollateralization Tests are met as of the Effective Date and the requirements specified under "—Portfolio Collateral Criteria" are satisfied, the Trustee will transfer all of such funds to the Collection Account to be applied as additional Collateral Interest Collections.

An Expense Reimbursement Account of U.S. $50,000 will be established by the Issuer and pledged to the Trustee for the payment of Issuer administrative expenses which become due and must be paid between Payment Dates. Any amounts withdrawn from the Expense Reimbursement Account will be reimbursed on each Payment Date in accordance with the priority of the distribution provisions described herein. Funds held in the Expense Reimbursement Account will be invested by the Trustee in Eligible Investments. Eligible Investments in the Expense Reimbursement Account are to mature on or before the date on which such funds are to be used by the Issuer for the payment of expenses.

A Closing Expense Account will be established by the Trustee. From the Closing Date to the Payment Date occurring in January 2006, funds deposited in the Closing Expense Account will be used to pay the fees, commissions and expenses associated with the issuance of the Notes and any funds remaining on deposit therein after such payments have been made shall be transferred to the Initial Purchasers. Funds held in the Closing Expense Account will be invested by the Trustee in Eligible Investments.

An Initial Period Reserve Account will be established by the Issuer with the Trustee into which will be deposited the amounts described under "Description of the Notes—Payments on the Notes; Priority of Distributions." Funds held in the Initial Period Reserve Account will be invested by the Trustee in Eligible Investments. All amounts in the Initial Period Reserve Account will be transferred to the Collection Account as Collateral Interest Collections on the January 2006 Payment Date.

Quarterly Reports; Note Valuation Report

Promptly after receipt by the Trustee thereof, but in any event not later than the second Business Day prior to each Payment Date, commencing in October 2005, the Trustee shall make available to each Noteholder and each Rating Agency a quarterly report setting forth certain information regarding the Portfolio Collateral and the Affiliated HCs. In addition, not later than the second Business Day prior to each Payment Date, the Issuer shall provide to each Rating Agency and the Trustee, who make available a copy to each Noteholder, a note valuation report (which may be combined with the quarterly report) containing additional information with respect to payments due to the Noteholders on such Payment Date and the Portfolio Collateral (including any Eligible Investments) included in the Trust Estate. The Indenture provides that the information contained in these reports is confidential and may not be disclosed, except as provided therein. Such reports will be made available on the Trustee's internet website initially at www.cdolink.com.

## THE SWAP AGREEMENT

General. On the Closing Date, the Issuer and SunTrust Bank (the **"Swap Counterparty"**) will enter into a swap agreement (together with the related confirmation and schedule, the **"Swap Agreement"**) in the form of the 1992 ISDA Master Agreement (Multicurrency – Cross Border) published by the International Swaps and Derivatives Association, Inc. (**"ISDA"**). The Swap Agreement will incorporate the 2000 ISDA Definitions published by ISDA except as modified to reflect the transaction provided for in the Swap Agreement.

The Swap Agreement will provide that the Issuer will pay to the Swap Counterparty from the Payment Date occurring in January 2006 through the Payment Date occurring in July 2015, interest on a notional amount equal to $84,000,000 at the *per annum* rate specified in Annex C attached hereto (calculated on the basis of a year of 360 days and twelve 30-day months), in exchange for which the Swap Counterparty will (i) pay to the Issuer interest on such notional amount at a rate equal to LIBOR for the related Periodic Interest Accrual Period (calculated on the basis of a year of 360 days and the actual number of days elapsed) and (ii) provide for an up front payment to the Issuer on the Closing Date in the amount of approximately $1,500,000 (the **"Up Front Payment"**).

The obligations of the Issuer under the Swap Agreement will be limited recourse obligations of the Issuer, secured solely by a pledge of the Trust Estate to the Swap Counterparty under the Indenture and subject to the priority of payments described herein. The rights of the Issuer under the Swap Agreement will be assigned to the Trustee under the Indenture. In addition, under the Indenture, the Issuer agrees that except under certain circumstances it will not amend the Swap Agreement without the consent of the Requisite Noteholders. Under the Swap Agreement, the Swap Counterparty will be required (i) (A) if either the rating of the short-term unsecured debt obligations (or its equivalent) of the Swap Counterparty is at any time reduced below "A-1" by S&P or, if no short-term rating exists, the rating of the long-term unsecured debt obligations (or its equivalent) of the Swap Counterparty is at any time reduced below "A+" or is "A+" but has been placed on and is remaining on a credit watch with negative implications by S&P, to either (w) post collateral, (x) deliver a guarantee from an entity whose short-term rating is at least "A-1" or whose long-term rating is at least "A+", (y) substitute a replacement swap counterparty or (z) undertake any other action acceptable to S&P at no cost to the Issuer and, if none of these actions are taken within 30 days, to post collateral pending replacement of the Swap Counterparty or (B) if either the rating of the short-term unsecured debt obligations (or its equivalent) of the Swap Counterparty is at any time reduced below "A-3" by S&P or, if no short-term rating exists, the rating of the long-term unsecured debt obligations (or its equivalent) of the Swap Counterparty is at any time reduced below "BBB-", to substitute a replacement swap counterparty at no cost to the Issuer (and subject to the assumption by the replacement swap counterparty of the Swap Counterparty's obligations under the Swap Agreement); (ii) (A) if the rating of the short-term unsecured debt obligations (or its equivalent) of the Swap Counterparty is at any time reduced below "F1" by Fitch and the rating of the long-term unsecured debt obligations (or its equivalent) of the Swap Counterparty is at any time reduced below "A" by Fitch to (x) post collateral and (y) either deliver a guarantee from an entity whose short-term rating is at least "F1" by Fitch and whose long-term rating is at least "A" by Fitch or substitute a replacement swap counterparty, in each case at no cost to the Issuer within 30 days of notification (and subject to the assumption by the replacement swap counterparty of the Swap Counterparty's obligations under the Swap Agreement) of such reduction or (B) if the rating of the short-term unsecured debt obligations (or its equivalent) of the Swap Counterparty is at any time reduced below "F2" by Fitch and the rating of the long-term unsecured debt obligations (or its equivalent) of the Swap Counterparty is at any time reduced below "BBB+" by Fitch to to substitute a replacement swap counterparty at no cost to the Issuer within 30 days of notification (and subject to the assumption by the replacement swap counterparty of the Swap Counterparty's obligations under the Swap Agreement) of such reduction or, (iii) if a short-term rating and a long-term rating by Moody's exists, if the rating of the short-term unsecured debt obligations (or its equivalent) of the Swap Counterparty is at any time reduced below "P1" by Moody's or the rating of its long-term unsecured debt obligations is at any time reduced below "A1" by Moody's or, if no short-term rating exists, the rating of the long-term unsecured debt obligations is at any time reduced below "Aa3" by Moody's, to either (a) attempt to substitute a replacement swap counterparty, (b) post collateral or (c) if a short-term rating and a long-term rating by Moody's exists, if the rating of the short-term unsecured debt obligations of the Swap Counterparty is at any time reduced to or below "P2" by Moody's or the rating of its long-term unsecured debt obligations is at any time reduced to or below "A3" by Moody's, or if no short-term rating exists, the rating of its long-term unsecured debt obligations is at any time reduced to or below "A2" by Moody's, to substitute a replacement swap counterparty at no cost to the Issuer within 30 days of notification (and subject to the assumption by the replacement swap counterparty of the Swap Counterparty's obligations under the Swap Agreement) of such reduction. For this purpose, any Swap Counterparty on any "credit watch" list (or similar list) with positive or negative implications by Moody's shall be deemed to have a rating one sub-category above or below, respectively, the actual rating of such Swap Counterparty.

Swap Events of Default and Swap Termination Events. Under the Swap Agreement, the Issuer may terminate such Swap Agreement if there is a Swap Event of Default or a Swap Termination Event (each as described below) with respect to the Swap Counterparty. Under the Swap Agreement, the Swap Counterparty may terminate such Swap Agreement if there is a Swap Event of Default or a Swap Termination Event with respect to the Issuer.

The Swap Events of Default under the Swap Agreement include, but may not be limited to, the following:

(a) a failure by either the Issuer or the Swap Counterparty to pay amounts due under such Swap Agreement, if that failure is not remedied within three Business Days of notice of such failure;

(b) either the Issuer or the Swap Counterparty is dissolved, becomes bankrupt or insolvent or takes certain actions in respect thereof; *provided* that, with respect to the Issuer, a failure to pay any amount to the holders of the Class A-2L Deferrable Notes, the Class A-3L Notes, the Class A-3A Notes, the Class A-3B Notes, the Class B-1L Notes or the Preferred Shares, or any payment in respect of Issuer Excess Administrative Expenses, solely as a result of the operation of the priority of payments described herein will not constitute an inability to pay the Issuer's debts or failure to pay its debts when they become due, nor will any statement relating to such a failure to pay constitute an admission in writing of its inability generally to pay its debts as they become due under such Swap Agreement;

(c) either the Issuer or the Swap Counterparty consolidates or amalgamates with, or merges into, or is merged into, or transfers substantially all of its assets to, another entity, and the resulting, surviving or transferee entity fails to assume all of the obligations of such party under such Swap Agreement; or

(d) either (i) the Issuer permits certain amendments to the Indenture specified in such Swap Agreement without the Swap Counterparty's consent which requires its consent, or (ii) the outstanding Notes and all interest thereon shall have become or shall have been declared immediately due and payable pursuant to the Indenture and liquidation of the Trust Estate shall have commenced.

Certain other Swap Events of Default are as set forth in the Swap Agreement.

The Swap Termination Events under the Swap Agreement include the following:

(a) due to a change in applicable law, the performance of the Issuer's obligations or the Swap Counterparty's obligations under such Swap Agreement, becomes illegal; or

(b) due to a change in tax laws, the Issuer or the Swap Counterparty will, or there is a substantial likelihood, in the reasonable judgment of the Issuer and the Swap Counterparty or in the opinion of legal counsel to the affected party reasonably acceptable to the other party, that the Issuer or the Swap Counterparty will, be required to pay an additional amount in respect of withholding tax or receive a lower amount in respect of such tax with respect to payments under such Swap Agreement.

Certain other Swap Termination Events are as set forth in the Swap Agreement.

Payment Amounts. If a Swap Event of Default or a Swap Termination Event under the Swap Agreement occurs, a lump-sum amount would be payable by the Swap Counterparty to the Issuer or by the Issuer to the Swap Counterparty (the **"Swap Termination Amount"**). The Swap Termination Amount would generally be based on the sum of (i) payments under the Swap Agreement that became due prior to the date on which the Swap Agreement (or portion thereof) is terminated, but remain unpaid, and (ii) an amount determined by obtaining quotations from at least three leading swap dealers of the amount that each such dealer would pay to, or be required to be paid by, the party obtaining such quotation in consideration for having that dealer enter into a swap transaction with such party on the same terms as the swap transaction that was terminated. If the Issuer or the Swap Counterparty, as applicable, fails to pay such lump-sum amount on the date specified in the Swap Agreement (which would generally be the date designated as the "Early Termination Date" under the Swap Agreement), then in accordance with the Swap Agreement interest will accrue on such lump-sum amount at a rate equal to the payee's cost of funds *plus* 1%, compounded daily, and the Swap Termination Amount will be equal to the sum of the original lump-sum amount and such accrued interest.

As described under "Description of the Notes – Payments on the Notes; Priority of Distributions" herein, the periodic fixed rate payment due to the Swap Counterparty on each Payment Date under the Swap Agreement (the **"Periodic Swap Payment Amount"**) is payable prior to distributions on the Notes. A Swap Termination Amount payable by the Issuer as a consequence of termination of the Swap Agreement pursuant to an event as to which the Issuer is the "Defaulting Party" (as defined in the Swap Agreement), in the case of a Swap Event of Default, is generally payable *pari passu* with payments of the Cumulative Interest Amounts with respect to the Class A-1 Notes.

## MATURITY AND PREPAYMENT CONSIDERATIONS

The Final Maturity Date of each Class of Notes is the Payment Date occurring in October 2035, in each case subject to prior redemption under the circumstances described herein. The average life of each Class of Notes is expected to be shorter than the number of years until the Final Maturity Date, and the average lives may vary due to various factors. The average life of each Class of Notes refers to the weighted amount of time that will elapse from the date of delivery of such Notes until each dollar of the principal of such securities will be paid to the investor. Such average lives will be determined by the amount and frequency of principal payments which in turn are dependent upon, among other things, the amount of principal payments and other payments received at or in advance of the scheduled maturity of Portfolio Collateral (whether through sale, maturity, redemption, prepayment, default or other liquidation or disposition). The actual average life and final maturity of each Class of Notes will be affected by the financial condition of the issuers or other obligors of the Portfolio Collateral, the availability of alternative financing to such issuers or obligors in the form of equity, debt or hybrid instruments, the occurrence of changes or prospective changes involving tax law, the Investment Company Act or capital adequacy guidelines of the Applicable Regulator, the prevailing levels of interest rates and the characteristics of the Portfolio Collateral including the existence and frequency of exercise of any optional or mandatory redemption features, the rate of principal payments (including prepayments), the redemption price, the rate of defaults and interest deferrals on the Portfolio Collateral, the actual default rate and the actual level and timing of recoveries on any Defaulted Portfolio Collateral.

In addition, the Notes are subject to Initial Deposit Redemption, Mandatory Redemption, Optional Redemption and Auction Call Redemption as described herein. Any such redemption will affect the average lives of the Notes.

Under the assumptions identified below, (i) the Class A-1L Notes are expected to have an average life of approximately 8.5 years and an expected final payment occurring on the Payment Date in July 2015; ii) the Class A-1LA Notes are expected to have an average life of approximately 8.1 years and an expected final payment occurring on the Payment Date in July 2015; (iii) the Class A-1LB Notes are expected to have an average life of approximately 9.9 years and an expected final payment occurring on the Payment Date in July 2015; (iv) the Class A-2L Deferrable Notes are expected to have an average life of approximately 9.9 years and an expected final payment occurring on the Payment Date in July 2015 (v) the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes are expected to have an average life of approximately 9.9 years and an expected final payment occurring on the Payment Date in July 2015; and (vi) the Class B-1L Notes are expected to have an average life of approximately 9.6 years and an expected final payment occurring on the Payment Date in July 2015. There can be no assurance that the average lives and expected final payment of any Class of Notes will be as set forth above especially if an Auction Call Redemption does not occur on the July 2015 Payment Date. Prospective investors should make their own determinations of the payments expected to be made in respect of the Notes.

The hypothetical scenario used to determine the average lives of the Notes is as follows: (i) approximately U.S. $501,680,000 in Aggregate Principal Amount of Portfolio Collateral is purchased on the Closing Date and another U.S. $15,000,000 in Aggregate Principal Amount of Portfolio Collateral is purchased by October 15, 2005; (ii) the Portfolio Collateral have a scheduled maturity date no later than October 7, 2035; (iii) the Portfolio Collateral on the Closing Date consists of (a) U.S. $98,500,000 of collateral which is fixed rate for the first five years, with a weighted average coupon of 6.09%, and floating rate thereafter, with a weighted average floating rate spread of 1.94% and U.S. $418,180,000 of collateral which is floating rate collateral, with a weighted average floating rate spread of 2.04%; (iv) assumes the LIBOR forward curve as of August 3, 2005; (v) no Initial Deposit Redemption or Optional Redemption of the Notes is made; (vi) each collateral security that comprises the Portfolio Collateral becomes callable or prepayable five years after its issuance date and is callable at par; (vii) all Eligible Investments will bear interest at the rate as determined in clause (viii) minus 0.15% per annum; and (ix) an Auction Call Redemption occurs on the July 2015 Payment Date and the auction sale proceeds are equal to 100% of the Aggregate Principal Amount of the Portfolio Collateral.

Further, the hypothetical scenario assumes that defaults begin in the third Due Period and are equal to 0.40% *per annum*. A recovery rate of 10% is assumed, with recoveries realized 12 months after the default, but in no event later than July 2015. It is also assumed that the scheduled payment of principal and/or interest due on Portfolio Collateral are timely received and that such payments are invested or reinvested at the indicated reinvestment rates until the next Payment Date without compounding. With the exception of three collateral securities in the aggregate amount of $14,000,000, it is assumed that during the first 5 years after the Closing Date no prepayments are made on the Portfolio Collateral, at the end of year five prepayments of 10% of the Portfolio Collateral will be made and thereafter prepayments on such Portfolio Collateral are calculated on a 0.5% prepayment rate per period. It is assumed that during any period when the Overcollateralization Tests or the Interest Coverage Tests are not satisfied, principal payments will be made in respect of the Notes to the extent necessary to satisfy the Overcollateralization Tests or the Interest Coverage Tests (to the extent funds are available therefor).

The Issuer Base Administrative Expenses will be 0.045% *per annum* (subject to a minimum of U.S. $31,250 per Due Period), the Trustee Administrative Expenses will be (a) 0.025% *per annum* (subject to a minimum of U.S. $10,000 per Due Period), each as a percentage of the Aggregate Principal Amount of the Portfolio Collateral as of the first day of the Due Period relating to each Payment Date, as appropriate for the related fee and subject to the availability of funds in the performance scenario. It is further assumed that the Preferred Shares Administrative Expenses will be $2,500 per Due Period.

Cash received on or before a Calculation Date is assumed to be available on the following Payment Date. Cash collected after the Calculation Date but before the immediately following Payment Date is assumed to be reinvested in Eligible Investments until the second succeeding Payment Date. The accrual date on Portfolio Collateral is assumed to be the full quarterly period before the Payment Date subsequent to the Closing Date.

The weighted average lives and expected final payment dates described above are included only for illustrative purposes. The usefulness of these scenarios is limited by, among other things, the predictive value of the underlying assumptions, the uncertain relevance of the assumptions as compared to other factors which have not been identified or taken into account, and assumptions incorporated with respect to the timing of cash flows, prepayments, defaults and recoveries on the Portfolio Collateral. The assumptions are inherently subject to significant economic uncertainties, all of which are impossible to predict and beyond the control of the Co-Issuers. **There can be no assurance that any particular performance scenario will be realized, and the performance of the Notes may be materially different from that shown. Such scenarios are not projections or forecasts and were not prepared with a view to complying with published guidelines of the United States Securities and Exchange Commission or the American Institute of Certified Public Accountants regarding projections or forecasts. Under no circumstances should the inclusion of such information be regarded as a representation, warranty or prediction with respect to their accuracy or the accuracy or appropriateness of the underlying assumptions, or that the Notes will achieve or are likely to achieve any particular results. There can be no assurance that the actual performance of the Notes will not vary materially from the scenario and assumptions set forth herein or otherwise used by a prospective investor. Moreover, to the extent that the individual characteristics of the assumed Portfolio Collateral used for such purposes differ from the individual characteristics of the actual Portfolio Collateral purchased on the Closing Date, the actual performance of the Notes may differ. Prospective investors should conduct such financial analysis as they deem prudent, which may include the preparation of their own performance scenarios under a range of economic and other assumptions chosen by such prospective investors or their advisers. Each prospective investor must make its own evaluation of the merits and risks of investment in the Notes. See "Special Considerations – Nature of the Trust Securities, the SMTS and the Debentures," "– Nature of the Bank Subordinated Notes", "Ratings of Notes" and "Special Considerations – Limited Liquidity of the Portfolio Collateral."**

## LEGAL STRUCTURE

The Indenture

The following summaries generally describe certain provisions of the Indenture. The summaries do not purport to be complete and are subject to, and qualified in their entirety by reference to, the provisions of the Indenture.

Modification of Indenture. Except as set forth below, with the consent of the Requisite Noteholders, the Trustee and the Co-Issuers may execute a supplemental indenture to add provisions to, or change in any manner or eliminate any provisions of, the Indenture or modify in any manner the rights of the Holders of such Notes. However, without the consent of the Holders of each Outstanding Note affected thereby, no supplemental indenture may (i) change the maturity of the principal of or interest on any Note or Class P1 Combination Note or reduce the principal amount thereof or the rate of interest thereon or change the time or amount of any other amount payable in respect of any Note or Class P1 Combination Note, (ii) reduce the percentage of Holders of Notes whose consent is required for the authorization of any supplemental indenture or for any waiver of compliance with certain provisions of the Indenture, (iii) impair or adversely affect the Trust Estate securing the Notes, (iv) permit the creation of any lien ranking prior to or on parity with the lien of the Indenture with respect to any part of the Trust Estate or terminate the lien of the Indenture except as provided in the Indenture or under applicable law, (v) reduce the percentage of Holders of Notes whose consent is required to direct the Trustee to liquidate the Trust Estate, (vi) modify any of the provisions of the Indenture with respect to supplemental indentures or waiver of Defaults and their consequences except to increase the percentage of Outstanding Notes whose consent is required for any such action or to provide that other provisions of the Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Note affected thereby, (vii) modify the provisions thereof relating to priority of distributions or subordination or the definition therein of the term "Outstanding," or (viii) modify any of the provisions of the Indenture in such a manner as to affect the calculation of the amount of any payment of principal of or interest on or other amount in respect of any Note or Class P1 Combination Note or to affect the right of the Holders of Notes or Class P1 Combination Notes to the benefit of any provisions for the redemption of such Notes or Class P1 Combination Notes contained therein.

The Co-Issuers and the Trustee may also enter into supplemental indentures without obtaining the consent of Holders of any Notes or Class P1 Combination Notes, in order to (i) evidence the succession of any person to the Co-Issuers, (ii) add to the covenants of the Co-Issuers for the benefit of the Holders of the Notes and the Class P1 Combination Notes or to surrender any right or power conferred upon the Co-Issuers, (iii) pledge any property to or with the Trustee, (iv) evidence and provide for the acceptance of appointment by a successor trustee and to add to or change any of the provisions of the Indenture as shall be necessary to facilitate the administration of the Trust Estate by more than one Trustee, (v) correct or amplify the description of any property at any time subject to the lien of the Indenture, or to better assure, convey and confirm unto the Trustee any property subject to the lien of the Indenture, (vi) take any action necessary or helpful to prevent the Issuer or the Trustee from becoming subject to any withholding or other taxes or assessments or to reduce the risk that the Issuer will be engaged in a United States trade or business or otherwise subject to United States income tax on a net income basis, (vii) correct any manifest error in the Indenture, (viii) facilitate the delivery and maintenance of the Notes or the Class P1 Combination Notes in accordance with the requirements of DTC, Euroclear or Clearstream, (ix) facilitate the listing of all or any of the Notes or the Class P1 Combination Notes on one or more securities exchanges or (x) cure any ambiguity, or correct, modify or supplement any provision which is defective or inconsistent with any other provision in the Indenture, *provided* that such amendment shall not adversely affect the interests of the Holders of the Notes. Except for any proposed amendment that would affect the terms of the Class P1 Combination Notes as such, Holders of the Class P1 Combination Notes shall be entitled to vote only as Holders of the related component parts.

Notwithstanding the foregoing, the Trustee will not be permitted to enter into any supplemental indenture if, as a result of such supplemental indenture, the rating of any class of Outstanding Notes or Class P1 Combination Notes (if then rated) would be reduced or withdrawn without the unanimous consent of the Holders of that Class of Notes or Class P1 Combination Notes.

Consolidation, Merger or Transfer of Assets, Incurrence of Indebtedness, Conduct of Business. The Co-Issuers may not consolidate with, merge into, or transfer or convey all or substantially all of its assets to, any other corporation, partnership, trust or other person or entity (except for sales or exchanges of Portfolio Collateral as contemplated by the Indenture). In addition, the Co-Issuers may not incur any indebtedness other than the Notes and trade debt incidental to the performance of its obligations under the Indenture or engage in any business or activity other than the issuance of the Notes, the Class P1 Combination Notes and the Preferred Shares and the other transactions and activities contemplated herein. Pursuant to the Indenture and the Co-Issuer's organizational documentation, the Co-Issuers may also not, without the consent of the Requisite Holders, amend their organizational documentation if such amendment would have a material adverse effect on the right of the Noteholders.

Events of Default. An event of default (**"Event of Default"**) is defined in the Indenture as being (i) a default for four Business Days or more in the payment of any amount payable in respect of any Note when due when funds in such amount are available for payment in accordance with the Indenture, (ii) a failure after four Business Days to apply available amounts in accordance with the priority of distribution set forth in the Indenture, (iii) a default for four Business Days or more in the payment of (A) the Periodic Interest Amount due on any Class A-1 Notes on any Payment Date, (B) after the Class A-1 Notes have been paid in full, the Periodic Interest Amount due on any Class A-2L Deferrable Notes on any Payment Date, and (C) after the Class A-1 Notes and the Class A-2L Deferrable Notes have been paid in full, the Periodic Interest Amount due on the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes on any Payment Date and (D) after the Class A Notes are paid in full, the Periodic Interest Amount due on the Class B-1L Notes on any Payment Date, (iv) a default in the payment of principal and the Cumulative Interest Amount due on any Class of Notes on the Final Maturity Date, (v) a default in the performance, or a breach of any covenant, representation, warranty or other agreement of the Co-Issuers (or either one of them) in the Indenture, or the failure of any representation or warranty of the Co-Issuers (or either one of them) made in the Indenture or in any certificate or other writing delivered pursuant to or in connection with the Indenture to be correct in all material respects when the same shall have been made and continuance of such default, breach or failure for a period of 30 days after written notice to the Co-Issuers by the Trustee or to the Co-Issuers and the Trustee by the Holders of at least a majority in principal amount of the Notes, (vi) certain events of bankruptcy, insolvency, receivership or reorganization of the Co-Issuers or (vii) either of the Co-Issuers or the pool of assets constituting the Trust Estate becomes required to register as an "investment company" under the Investment Company Act of 1940.

The failure to pay in full Periodic Interest on the Class A-2L Deferrable Notes as a result of insufficient funds being available therefor will not constitute an Event of Default so long as any Class A-1 Notes are Outstanding. The failure to pay in full Periodic Interest on the Class A-3L Notes, the Class A-3A Notes or the Class A-3B Notes as a result of insufficient funds being available therefor will not constitute an Event of Default so long as any Class A-1 Notes or any Class A-2L Deferrable Notes are Outstanding. The failure to pay in full Periodic Interest on the Class B-1L Notes as a result of insufficient funds being available therefor will not constitute an Event of Default so long as any Class A Notes are Outstanding. An event of insolvency could result if relief has been ordered against the Co-Issuers in a case under applicable bankruptcy law and the Co-Issuers, the trustee, if any, for either of the Co-Issuers or a creditor of either of the Co-Issuers were to file an involuntary petition against either of the Co-Issuers. The filing of a petition against the Co-Issuers under applicable bankruptcy law could adversely affect the rights of the Holders of Notes to receive timely payments.

If an Event of Default (other than an Event of Default specified in clause (vi) above) under the Indenture should occur and be continuing with respect to the Notes, the Trustee may with the consent of the Requisite Noteholders, and shall, at the direction of the Requisite Noteholders, declare the principal of the Notes to be immediately due and payable. Such declaration may under certain circumstances be rescinded by the Trustee with the consent of the Requisite Noteholders or at the direction of the Requisite Noteholders. If an Event of Default specified in clause (vi) above should occur and be continuing, the principal of the Notes shall become immediately due and payable without the necessity of notice or any other action. If the Notes are accelerated, or if the Final Maturity Date has occurred, the Holders of the Notes shall be entitled to receive, as applicable, the Cumulative Interest Amount and the Aggregate Principal Amount with respect thereto (as calculated and accrued through the date of payment in full of the Aggregate Principal Amount of the applicable Class of Notes in the order of priority set forth under "Description of the Notes – Payments on the Notes; Priority of Distributions – Final Maturity Date."

If an Event of Default shall have occurred and be continuing or if the Final Maturity Date has occurred, the Trustee shall refrain from liquidating and shall preserve the Trust Estate intact unless (i) the Requisite Noteholders have directed the Trustee to sell or liquidate the Trust Estate or any portion thereof in the case of (A) an Event of Default resulting from failure to pay interest or principal on a Note or (B) a sale or liquidation of all or a portion of the Trust Estate at or above the aggregate par value of all Collateral so liquidated or sold (and Defaulted Portfolio Collateral may be liquidated or sold without reference to, or inclusion in the calculation of, such limitation) or (ii) 100% of the Noteholders have otherwise directed the Trustee to sell or liquidate the Trust Estate or any portion thereof.

Pursuant to the Indenture, as security for the payment by the Issuer of the compensation and expenses of the Trustee and the Paying and Transfer Agent and any sums to which the Trustee and the Paying and Transfer Agent may be entitled to receive as indemnification by the Issuer, the Issuer has granted the Trustee a senior lien on the Trust Estate, which is senior to the lien of the Notes on the Trust Estate. These liens are exercisable by the Trustee or the Paying and Transfer Agent only if the Notes have been declared due and payable following an Event of Default, and the acceleration of the maturity of such Notes as a result of such Event of Default has not been rescinded or annulled.

Subject to the provisions of the Indenture relating to the duties of the Trustee in case an Event of Default with respect to the Notes shall occur and be continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any Holders of Notes, unless such Holders shall have offered to the Trustee reasonable security or indemnity. Subject to such provisions for indemnification and certain limitations contained in the Indenture, the Requisite Noteholders will have the right to direct the time, method and place of conducting any proceeding of any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to the Notes; and, in certain cases, waive any default with respect to such Notes, except a default in payment of any amount payable in respect of any Note or a default in respect of a covenant or provision of the Indenture that cannot be modified without the waiver or consent of the Holder of each Outstanding Note affected thereby.

Rights Under the Indenture. No Holder of a Note will have the right to institute any proceeding with respect to the Indenture, unless (1) such Holder previously has given to the Trustee written notice of an Event of Default with respect to such Notes, (2) the Requisite Noteholders have made written request upon the Trustee to institute such proceedings in its own name as Trustee, (3) such Holder or Holders have offered the Trustee reasonable indemnity as provided in the Indenture, (4) the Trustee has for 30 days failed to institute any such proceeding, and (5) no direction inconsistent with such written request has been given to the Trustee during such 30-day period by the Requisite Noteholders.

Satisfaction and Discharge of the Indenture. The Indenture will be discharged with respect to the collateral securing the Notes upon delivery to the Trustee for cancellation of all of the Notes, or, within certain limitations (including the obligation to pay principal and interest and all amounts owing to the Swap Counterparty), upon deposit with the Trustee of cash or Eligible Investments sufficient for the amount thereof.

Trustee. Wells Fargo Bank, National Association, will be the Trustee under the Indenture for the Notes. The Issuer and its affiliates may maintain other banking relationships in the ordinary course of business with the Trustee. The Indenture provides that the Trustee may appoint one or more co-trustees in the event that Holders of the Notes have conflicting interests and in certain other circumstances. The Trustee or an Affiliate of the Trustee may receive compensation in connection with the purchase of certain Eligible Investments as provided in the Indenture.

The Indenture contains provisions for the indemnification of the Trustee for any loss, liability or expense incurred without negligence, willful misconduct or bad faith arising out of or in connection with the acceptance or administration of its duties under the Indenture.

The Trustee may resign at any time by giving notice as set forth in the Indenture. The Trustee may be removed by the Requisite Noteholders after the occurrence and continuation of an Event of Default or by the Issuer or the Requisite Noteholders if at any time the Trustee fails to meet certain eligibility criteria set forth in the Indenture or if the Trustee is adjudged to be bankrupt or insolvent or a receiver or liquidator or similar official of the Trustee or its property is appointed. No resignation or removal of the Trustee shall be effective until a successor trustee has been appointed pursuant to the terms of the Indenture.

Governing Law. The Indenture and the other documents relating to the Notes will be construed in accordance with the laws of the State of New York.

Notices. Notices to the holders of the Notes will be given by first-class mail, postage prepaid, to the registered holders of the Notes at their address appearing in the Note Register. In addition, for so long as any Class of Notes is listed on the Irish Stock Exchange and the rules of such exchange so require, notice given to the holders of any such Class of Notes will also be given to the Company Announcements Office of the Irish Stock Exchange.

## DELIVERY OF THE NOTES; TRANSFER RESTRICTIONS; SETTLEMENT

The Notes have not been registered under the Securities Act or any state securities laws and, accordingly, may not be reoffered, resold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. Persons, except in accordance with the restrictions described under "Notices to Purchasers." Terms used in this paragraph have the meanings given to them by Regulation S.

Without limiting the foregoing, by holding a Note, each Holder will acknowledge and agree, among other things, that such Holder understands that neither of the Co-Issuers is registered as an investment company under the Investment Company Act, but that the Co-Issuers are exempt from registration as such by virtue of Section 3(c)(7) of the Investment Company Act, which in general excludes from the definition of an investment company any issuer whose outstanding securities are beneficially owned solely by Qualified Purchasers and which has not made and does not propose to make a public offering of its securities. Any sale or transfer which would violate these provisions shall be void from the time of such sale or transfer, and no sale or transfer may be made if such sale or transfer would require the Co-Issuers to become subject to the requirements of the Investment Company Act.

Each transferee of a Rule 144A Note will be deemed to represent at time of transfer that the transferee is a Qualified Institutional Buyer and (i) that it is a Qualified Purchaser, (ii) that it is not formed for the purpose of investing in the Notes, unless all of its beneficial owners are Qualified Purchasers, (iii) that it is not a dealer described in paragraph (a)(1)(ii) of Rule 144A unless such transferee owns and invests on a discretionary basis at least U.S. $25 million in securities of issuers that are not affiliated persons of such dealer, (iv) that it is not a plan referred to in paragraph (a)(1)(i)(D) or (E) of Rule 144A or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such plan, unless investment decisions are made solely by the fiduciary, trustee or sponsor of such plan, (v) that it and each account for which it is purchasing is purchasing Notes in at least the minimum denomination and (vi) that it will provide written notice of the foregoing and any other applicable transfer restrictions to any transferee.

The Indenture provides that if, notwithstanding the restrictions on transfer contained therein, the Issuer determines any beneficial owner or Holder of a Note (other than a Note transferred in reliance on Regulation S) is not a Qualified Institutional Buyer or an Accredited Investor and a Qualified Purchaser, the Issuer will require that such beneficial owner or Holder sell all of its right title and interest in such Note to a person who is so qualified, with such sale to be effected within 30 days after notice of such sale requirement is given. If such sale is not effected within such 30 days, upon written direction from the Issuer, the Trustee will be authorized to conduct a commercially reasonable sale of such Note to a person who does so qualify and pending transfer, no further payments will be made in respect of such note or any beneficial interest therein.

Except for interests in Notes represented by a Regulation S Global Note or a Rule 144A Global Note as described herein, the Notes will be represented by definitive registered Notes registered in the name of the purchaser thereof.

Unless determined otherwise by the Co-Issuers in accordance with applicable law, the Notes will bear the legend set forth below:

> THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), ANY STATE SECURITIES LAWS IN THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, UNITED STATES PERSONS, EXCEPT AS PERMITTED BY THIS LEGEND. THE HOLDER HEREOF, BY ITS ACCEPTANCE OF THIS NOTE, REPRESENTS, ACKNOWLEDGES AND AGREES THAT IT WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND EXCEPT (A) IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, WHOM THE SELLER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER

IS BEING MADE IN RELIANCE ON RULE 144A, *PROVIDED* THAT SUCH PURCHASER DELIVERS ALL DOCUMENTS AND CERTIFICATIONS AS THE CO-ISSUERS OR THE TRUSTEE MAY REASONABLY REQUIRE; (B) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE AND, IF REQUESTED BY THE CO-ISSUERS, UPON DELIVERY OF AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE CO-ISSUERS AND SUCH OTHER DOCUMENTS AND CERTIFICATIONS AS THE CO-ISSUERS OR THE TRUSTEE MAY REASONABLY REQUIRE); (C) TO AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT) IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (IF REQUESTED BY THE ISSUER, UPON DELIVERY OF AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE ISSUER AND SUCH OTHER DOCUMENTS AND CERTIFICATIONS AS THE CO-ISSUERS OR THE TRUSTEE MAY REASONABLY REQUEST); (D) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, *PROVIDED* THAT SUCH PURCHASER DELIVERS ALL DOCUMENTS AND CERTIFICATIONS AS THE CO-ISSUERS OR THE TRUSTEE MAY REASONABLY REQUEST; OR (E) TO THE CO-ISSUERS OR THEIR AFFILIATES, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. THE HOLDER HEREOF, BY ITS ACCEPTANCE OF THIS NOTE, REPRESENTS, ACKNOWLEDGES AND AGREES THAT IT WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE EXCEPT TO A NON-U.S. PERSON OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S OR TO A "QUALIFIED PURCHASER" WITHIN THE MEANING OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"), IN A TRANSACTION THAT DOES NOT CAUSE THE CO-ISSUERS TO BE REQUIRED TO REGISTER UNDER THE INVESTMENT COMPANY ACT. FURTHER, THE NOTES MAY NOT BE SOLD OR TRANSFERRED UNLESS SUCH SALE OR TRANSFER WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA OR SECTION 4975 OF THE CODE.

EACH TRANSFEREE OF A RULE 144A NOTE WILL BE DEEMED TO REPRESENT AT TIME OF TRANSFER THAT THE TRANSFEREE IS A QUALIFIED INSTITUTIONAL BUYER AND (I) THAT IT IS A QUALIFIED PURCHASER, (II) THAT IT IS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE NOTES, UNLESS ALL OF ITS BENEFICIAL OWNERS IS A QUALIFIED PURCHASER, (III) THAT IT IS NOT A DEALER DESCRIBED IN PARAGRAPH (a)(1)(ii) OF RULE 144A UNLESS SUCH TRANSFEREE OWNS AND INVESTS ON A DISCRETIONARY BASIS AT LEAST U.S. $25 MILLION IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED PERSONS OF SUCH DEALER, (IV) THAT IT IS NOT A PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH PLAN, UNLESS INVESTMENT DECISIONS ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (V) THAT IT AND EACH ACCOUNT FOR WHICH IT IS PURCHASING IS PURCHASING NOTES IN AT LEAST THE MINIMUM DENOMINATION AND (VI) THAT IT WILL PROVIDE WRITTEN NOTICE OF THE FOREGOING AND ANY OTHER APPLICABLE TRANSFER RESTRICTIONS.

THE INDENTURE PROVIDES THAT IF, NOTWITHSTANDING THE RESTRICTIONS ON TRANSFER CONTAINED THEREIN, THE ISSUER DETERMINES ANY BENEFICIAL OWNER OR HOLDER OF A NOTE (OTHER THAN A NOTE TRANSFERRED IN RELIANCE ON REGULATION S) IS NOT A QUALIFIED INSTITUTIONAL BUYER OR AN ACCREDITED INVESTOR AND A QUALIFIED PURCHASER, THE ISSUER WILL REQUIRE THAT SUCH BENEFICIAL OWNER OR HOLDER SELL ALL OF ITS RIGHT TITLE AND INTEREST IN SUCH NOTE TO A PERSON WHO IS SO QUALIFIED, WITH SUCH SALE TO BE EFFECTED WITHIN 30 DAYS AFTER NOTICE OF SUCH SALE REQUIREMENT IS GIVEN. IF SUCH SALE IS NOT EFFECTED WITHIN SUCH 30 DAYS, UPON WRITTEN DIRECTION FROM THE ISSUER, THE TRUSTEE WILL BE AUTHORIZED TO CONDUCT A COMMERCIALLY REASONABLE SALE

OF SUCH NOTE TO A PERSON WHO DOES SO QUALIFY AND PENDING TRANSFER, NO FURTHER PAYMENTS WILL BE MADE IN RESPECT OF SUCH NOTE OR ANY BENEFICIAL INTEREST THEREIN.

TRANSFERS OF THE NOTES MUST GENERALLY BE ACCOMPANIED BY APPROPRIATE TAX TRANSFER DOCUMENTATION AND ARE SUBJECT TO RESTRICTIONS AS PROVIDED IN THE INDENTURE.

*The following paragraph is applicable to the Class A-2L Deferrable Notes, the Class A-3L Notes, the Class A-3A Notes, the Class A-3B Notes and the Class B-1L Notes only.*

THE FOLLOWING INFORMATION IS PROVIDED PURSUANT TO UNITED STATES TREASURY REGULATION SECTION 1.1275-3(b). THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE HOLDER OF THIS NOTE MAY OBTAIN THE INFORMATION DESCRIBED IN UNITED STATES TREASURY REGULATION SECTION 1. 1275-3(b)(1)(i) FROM THE ADMINISTRATOR, AT THE FOLLOWING ADDRESS: MAPLES FINANCE LIMITED, P.O. BOX 1093 GT, QUEENSGATE HOUSE, SOUTH CHURCH STREET, GRAND CAYMAN, CAYMAN ISLANDS.

Subject to the restrictions on transfer set forth in the Indenture and the Notes and except with respect to transfer of an interest in a Regulation S Global Note or a Rule 144A Global Note (the procedure for which is set forth in the Indenture), the Holder of any Notes may transfer the same in whole or in part (in a principal amount equal to any authorized denomination) by surrendering such Notes at the Corporate Trust Office of the Trustee or at the office of any transfer agent, together with an executed instrument of assignment and transfer substantially in the form attached to the Indenture. In exchange for any Notes properly presented for transfer with all necessary accompanying documentation, the Trustee will authenticate and deliver at the Corporate Trust Office of the Trustee or the office of the transfer agent, as the case may be, to the transferee or send by first-class mail at the risk of the transferee to such address as the transferee may request, a Note or Notes, for a like aggregate principal amount and in such authorized denomination or denominations as may be requested. The presentation for transfer of any Notes will not be valid unless made at the Corporate Trust Office of the Trustee or at the office of a transfer agent by the registered Holder in person, or by a duly authorized attorney-in-fact. The Holder of a Note will not be required to bear the costs and expenses of effecting any transfer or registration of transfer, except that the relevant Holder will be required to bear (i) the expenses of delivery by other than regular mail (if any) and (ii) if the Co-Issuers so require, the payment of a sum sufficient to cover any duty, stamp tax or governmental charge or insurance charges that may be imposed in relation thereto.

Settlement

All payments in respect of the Notes shall be made in United States dollars in same-day funds.

## CERTAIN TAX CONSIDERATIONS

### UNITED STATES TAX CONSIDERATIONS

The following is a summary of certain of the United States federal income tax consequences of an investment in the Notes by purchasers that acquire their Notes in the initial offering. The discussion and the opinions referenced below are based upon laws, regulations, rulings, and decisions currently in effect, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the Internal Revenue Service (the "**IRS**") with respect to any of the United States federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following summary does not deal with all United States federal income tax consequences applicable to any given investor, nor does it address the United States federal income tax considerations applicable to all categories of investors, some of which may be subject to special rules, such as Non-U.S. Holders (defined below), banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers in securities or currencies, electing large partnerships, natural persons, cash method taxpayers, S corporations, estates and trusts, investors that hold their Notes as part of a hedge, straddle, or an integrated or conversion transaction, or investors whose "functional currency" is not the United States dollar. Furthermore, it does not address alternative minimum tax consequences, or the indirect effects on investors of equity interests in either a U.S. Holder (as defined below) or a Non-U.S. Holder. In addition, this summary is generally limited to investors that will hold their Notes as "capital assets" within the meaning of Section 1221 of the Code. Investors should consult their own tax advisors to determine the United States federal, state, local, and other tax consequences of the purchase, ownership, and disposition of the Notes.

As used herein, "**U.S. Holder**" or "**Holder**" means a beneficial holder of a Note that is an individual citizen or resident of the United States for United States federal income tax purposes, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to United States federal income taxation regardless of its source, or a trust for which a court within the United States is able to exercise primary supervision over its administration and for which one or more United States persons (as defined in the Code) have the authority to control all of its substantial decisions or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust. If a partnership holds Notes, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. Partners of partnerships holding Notes should consult their own tax advisors. "**Non-U.S. Holder**" means any holder (or beneficial holder) of a Note that is not a U.S. Holder.

U.S. Federal Income Tax Consequences to the Issuer

Upon the issuance of the Notes, Orrick, Herrington & Sutcliffe LLP, special U.S. tax counsel to the Issuer, will deliver an opinion generally to the effect that under current law, and assuming compliance with the Indenture (and certain other documents) and based on certain factual representations made by the Issuer, although the matter is not free from doubt, the Issuer will not be engaged in the conduct of a trade or business in the United States, other than possibly investing and trading in securities for the Issuer’s own account. Accordingly, the Issuer does not expect to be subject to net income taxation in the United States. Prospective investors should be aware that opinions of counsel are not binding on the IRS and there can be no absolute assurance that the IRS will not seek to treat the Issuer as engaged in a United States trade or business. If the IRS were to successfully characterize the Issuer as engaged in such a trade or business, among other consequences, the Issuer would be subject to net income taxation in the United States (as well as the branch profits tax) on its income. The levying of such taxes would materially affect the Issuer’s financial ability to pay principal and interest on the Notes.

The Issuer intends to acquire the Portfolio Collateral, the interest on which, and any gain from the sale or disposition thereof, is expected not to be subject to United States federal withholding tax or withholding tax imposed by other countries (unless subject to being "grossed up"). The Issuer will not, however, make any independent investigation of the circumstances surrounding the issuance of the individual assets comprising the Portfolio Collateral and, thus, there can be no absolute assurance that in every case, payments will be received free of withholding tax. If the Issuer is a CFC (defined below), the Issuer would incur United States withholding tax on interest received from a related United States person.

In addition, it is not expected that the Issuer will derive material amounts of any other items of income that will be subject to United States withholding taxes.

If withholding or deduction of any taxes from payments is required by law in any jurisdiction, the Issuer shall be under no obligation to make any additional payments to any Holder in respect of such withholding or deduction.

Notwithstanding the foregoing, any commitment fee, facility fee and similar fee that the Issuer earns may be subject to a 30% withholding tax and any lending fees received under a securities lending agreement may also be subject to withholding tax.

Classification and Tax Treatment of the Notes

The Issuer has agreed and, by its acceptance of a Note, each Noteholder will be deemed to have agreed, to treat each of the Notes as debt of the Issuer for United States federal income tax purposes. Upon the issuance of the Notes, Orrick, Herrington & Sutcliffe LLP will deliver an opinion generally to the effect that assuming compliance with the Indenture (and certain other documents) and based on certain factual representations made by the Issuer, the Notes should be characterized as debt of the Issuer for U.S. federal income tax purposes. Prospective investors should be aware that opinions of counsel are not binding on the IRS, and there can be no assurance that the IRS will not seek to characterize any Class of Notes as other than indebtedness. Except as provided under "—Alternative Characterization of the Notes," below, the balance of this discussion assumes that the Notes will be characterized as debt of the Issuer for United States federal income tax purposes.

For United States federal income tax purposes, the Issuer of the Notes, and not the Co-Issuer, will be treated as the issuer of the Notes.

Prior to electing to acquire bond insurance, a surety bond, or similar credit enhancement supporting some or all of the payments on the Notes, U.S. Holders should consult with their own tax advisors concerning the treatment of such credit enhancement for United States federal income tax purposes (including the viability of integrating the Notes and the credit enhancement).

Subject to the discussion in the next paragraph, U.S. Holders of Notes will include payments of stated interest received on the Notes in income (as ordinary interest income) in accordance with their method of tax accounting.

While not absolutely certain, because payments of stated interest on the Class A-2L Deferrable Notes, the Class A-3L Notes, the Class A-3A Notes, the Class A-3B Notes and the Class B-1L Notes are contingent on available funds and subject to deferral if certain overcollateralization tests are not met, such Note will be required to include original issue discount (**"OID"**) in gross income as it accrues under a constant yield method, based on the original yield to maturity of the Note. Thus, the Holder of a Class A-2L Deferrable Note, a Class A-3L Note, a Class A-3A Note, a Class A-3B Note or a Class B-1L Note will be required to include original issue discount in income as it accrues, prior to the receipt of the cash attributable to such income. U.S. Holders, however, would be entitled to claim a loss upon maturity or other disposition of a Class A-2L Deferrable Note, a Class A-3L Note, a Class A-3A Note, a Class A-3B Note or a Class B-1L Note with respect to interest amounts accrued and included in gross income for which cash is not received. Such a loss generally would be a capital loss.

Although there can be no assurance, the Notes should not be "contingent payment debt instruments" (**"CPDIs"**) within the meaning of Treasury Regulation Section 1.1275-4. If any Class of Notes were considered such instruments, among other consequences, gain on the sale of such Notes that might otherwise be capital gain would be ordinary income. Prospective investors should consult their own tax advisors regarding the possible characterization of the Notes as CPDIs.

The Notes may be debt instruments described in Section 1272(a)(6) of the Code (debt instruments that may be accelerated by reason of the prepayment of other debt obligations securing such debt instruments). Special tax rules principally relating to the accrual of OID, market discount and bond premium apply to debt instruments described in Section 1272(a)(6). Further, those debt instruments may not be part of an integrated transaction with a related hedge under Treasury Regulation Section 1.1275-6. Prospective investors should consult with their own tax advisors regarding the effects of Section 1272(a)(6).

In general, a U.S. Holder of a Note will have a basis in such Note equal to the cost of such Note to such U.S. Holder, increased by any amount includible in income by such U.S. Holder as OID and reduced by any amortized premium, any principal payments thereon, and any OID interest payments (see OID discussion above). Upon a sale, exchange or other disposition of a Note, a U.S. Holder will generally recognize gain or loss equal to the difference between the amount realized on the sale, exchange or other disposition (less any accrued and unpaid interest, which would be taxable as such) and the U.S. Holder's tax basis in such Note. Such gain or loss generally will be long-term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of disposition. In certain circumstances, U.S. Holders that are individuals may be entitled to preferential treatment for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

Alternative Characterization of the Notes

Notwithstanding such tax counsel's opinion, U.S. Holders should recognize that there is some uncertainty regarding the appropriate classification of instruments such as the Notes. It is possible, for example, that the IRS may contend that any Class of Notes should be treated as equity interests (or as part debt, part equity) in the Issuer. Such a recharacterization might result in materially adverse tax consequences to U.S. Holders.

If U.S. Holders of a Class of Notes were treated as owning equity interests in the Issuer, interest payments would be treated as dividends (to the extent of current and accumulated earnings). Further, while not certain, interest on the Notes might accrue (as dividends) prior to payment in a manner akin to the accrual of original issue discount. No dividends received deduction would apply to any of those dividends.

Further, the Issuer is a passive foreign investment company, or PFIC. If U.S. Holders were treated as owning equity interests in the Issuer, U.S. Holders generally will be considered United States shareholders in a PFIC. Under the rules relating to PFICs, a United States shareholder of a PFIC that receives an "excess distribution" must allocate the excess distribution ratably to each day in the taxpayer's holding period for such equity, and must pay a deemed deferred tax amount with respect to each prior year in the taxpayer's holding period. The total excess distribution for any taxable year is the excess of (a) the total distributions for the year over (b) 125 percent of the average amount received in respect of such stock by the taxpayer during the three preceding years (or, if shorter, the U.S. Holder's holding period for such equity). In addition, any gain on the disposition such equity in a PFIC would be treated as though it were an excess distribution. The deferred tax amount is equal to the sum of (a) the aggregate increases in taxes (computed at the maximum marginal rate) for each year in the taxpayer's holding period before the current year that would result from allocating the excess distributions back over the taxpayer's holding period ratably and (b) interest on those increases.

In order to avoid the application of the PFIC rules, each U.S. Holder should consider making a qualified electing fund election (the **"QEF election"**) provided in Section 1295 of the Code on a "protective" basis (although such protective election may not be respected by the IRS since current regulations do not specifically authorize that particular protective election). In general, a QEF election should be made on or before the due date for filing a United States shareholders' federal income tax return for the first taxable year for which it held a Note. In lieu of the PFIC rules discussed above, a Holder that makes a valid QEF election with respect to a Note that is recharacterized as an equity interest in the Issuer will, in very general terms, be required to include its *pro rata* share of the Issuer's ordinary income and net capital gains (a **"QEF inclusion"**) (unreduced by any prior year losses) in income as ordinary income and long-term capital gain, respectively, for each taxable year and pay tax thereon (even if the amount of that income is not the same as the interest payment (if any) made or OID (if any) accruing, on the Note during that period). In general, however, payments of interest on the Note that reflect income on which the Holder has already paid taxes under the QEF election, will not be further taxable to the Holder. While there can be no assurance that the IRS would respect the following allocation, the Issuer intends to allocate such ordinary income and net capital gains in a manner designed to cause any Class of Notes that is recharacterized as equity in the Issuer to have approximately the same amount of income as would have accrued on that Class had it been respected as debt.

In the event that any Class of Notes is recharacterized as voting equity in the Issuer and certain other conditions are met, the Issuer may be classified as a controlled foreign corporation (a **"CFC"**)with respect to U.S. Holders that own at least 10% of the Issuer's voting equity. In either event, Noteholders would, in general, be taxed in a similar manner as if they had made the QEF election described above (although some income that would otherwise be capital, may be ordinary).

Information Reporting Requirements

Under United States federal income tax law and regulations, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. These reporting requirements apply to both taxable and tax-exempt U.S. Holders. Penalties for failure to file certain of these information returns are severe. Purchasers of the Notes should consult with their own tax advisors regarding the necessity of filing information returns.

If requested by the Issuer, each Holder will be required to provide the Issuer with the name and status of each beneficial owner of a Note that is a U.S. Holder.

Prospective investors should consult with their own tax advisors regarding whether they are required to file an IRS Form 8886 in respect of this transaction.

Non-U.S. Holders

Assuming that (i) the Notes are respected as debt of a non-United States corporation or (ii) if the Notes are treated as equity in a non-United States corporation, that such corporation is not engaged in a U.S. trade or business, a

Non-U.S. Holder of a Note that has no connection with the United States and is not related, directly or indirectly, with the Issuer or the holders of the Issuer's equity or the Preferred Shares, will not be subject to United States withholding tax on interest payments. Non-U.S. Holders may be required to make certain tax representations regarding the identity of the beneficial owner of the Notes in order to receive payments free of withholding.

Circular 230

Under 31 C.F.R. part 10, the regulations governing practice before the Internal Revenue Service (Circular 230), we and our tax advisors are (or may be) required to inform you that:

- Any advice contained herein, including any opinions of counsel referred to herein, is not intended or written to be used, and cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer;

- Any such advice is written to support the promotion or marketing of the Notes and the transactions described herein (or in such opinion or other advice); and

- Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

## CAYMAN ISLANDS TAX CONSIDERATIONS

The following discussion of certain Cayman Islands income tax consequences of an investment in the Notes is based on the advice of Maples and Calder as to Cayman Islands law. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It assumes that the Issuer will conduct its affairs in accordance with assumptions made by, and representations made to, counsel. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under existing Cayman Islands laws:

(i) payments of principal and interest in respect of the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on such payments to any Holder of a Note and gains derived from the sale of Notes will not be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax; and

(ii) the Holder of any Note (or the legal personal representative of such Holder) whose Note is brought into the Cayman Islands may in certain circumstances be liable to pay stamp duty imposed under the laws of the Cayman Islands in respect of such Note.

The Issuer has been incorporated under the laws of the Cayman Islands as an exempted company and, as such, has applied for and obtained an undertaking from the Governor In Cabinet of the Cayman Islands in the following form:

**The Tax Concessions Law**
**(1999 Revision)**
**Undertaking as to Tax Concessions**

In accordance with Section 6 of the Tax Concessions Law (1999 Revision) the Governor in Cabinet undertakes with Soloso CDO 2005-1 Ltd. (the **"Company"**):

(a) that no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

(b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable

(i) on or in respect of the shares, debentures or other obligations of the Company; or

(ii) by way of the withholding in whole or in part of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision).

These concessions will be for a period of twenty years commencing from the 9th day of August 2005.

## CERTAIN ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended (**"ERISA"**), imposes requirements on employee benefit plans (as defined in Section 3(3) of ERISA) subject to ERISA (**"ERISA Plans"**) and on persons who are fiduciaries (as defined in Section 3(21) of ERISA) with respect to such Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification, requirements respecting delegation of investment authority and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. Each ERISA Plan fiduciary should give appropriate consideration to the facts and circumstances that are relevant to an investment in the Notes, including the role that an investment in the Notes plays in the Plan's investment portfolio. Before deciding to invest "plan assets" of any ERISA Plan in the Notes, the investing ERISA Plan fiduciary should be satisfied that investment in the Notes is a prudent investment for the ERISA Plan, that the investments of the ERISA Plan, including the investment in the Notes, are diversified so as to minimize the risk of large losses and that an investment in the Notes complies with the ERISA Plan and related trust documents. Any person who decides to invest "plan assets" of an ERISA Plan in the Notes should consider, among other factors, the factors discussed above under "Special Considerations."

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans, as well as individual retirement accounts and Keogh plans, subject to such statutes (each, a **"Plan"**) from engaging in certain transactions with persons that are "parties in interest" under ERISA or "disqualified persons" under Section 4975 of the Code (collectively, **"Parties in Interest"**) with respect to such Plans. A violation of these prohibited transaction rules may result in an excise tax or other penalties and liabilities under ERISA and/or Section 4975 of the Code for such persons.

Certain transactions involving the purchase, holding or transfer of the Notes might be deemed to constitute or result in prohibited transactions under ERISA and/or Section 4975 of the Code. For example, if the "plan assets" of an investing Plan were deemed to include assets of the Issuer and if any of the Portfolio Collateral constitute an obligation of or is purchased from or sold to a Party in Interest with respect to such Plan, an indirect prohibited transaction in the nature of an extension of credit or a purchase or sale of assets between such Plan and such Party in Interest might be deemed to occur. In addition, if the assets of the Issuer were deemed to be "plan assets" of any Plan investors, Notes sold to a Party in Interest with respect to such Plan would constitute a prohibited extension of credit transaction, possibly subjecting such Noteholder to excise taxes under Section 4975 of the Code. Under regulations issued by the United States Department of Labor, set forth in 29 C.F.R. § 2510.3-101 (the **"Plan Asset Regulations"**), the assets of the Issuer would be treated as "plan assets" of a Plan for purposes of ERISA and Section 4975 of the Code if the Plan acquires an equity interest in the Issuer and none of the exceptions contained in the Plan Asset Regulations applies. An equity interest is defined under the Plan Asset Regulations as any interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features.

Although there is no authority directly on point, it is anticipated that the Notes should be treated as indebtedness under local law and should not be treated as having substantial equity features for purposes of the Plan Asset Regulations. However, without regard to whether (i) the Notes are treated as an equity interest for such purposes or (ii) the assets of the Issuer are deemed to be "plan assets" of an investing Plan, the acquisition or holding of Notes by or on behalf of, or with "plan assets" of, a Plan could be considered to give rise to a prohibited transaction if the Issuer, the Trustee, the Initial Purchasers, an issuer of an item of Portfolio Collateral, or any of their respective affiliates is or becomes a Party in Interest with respect to an investing Plan. Certain exemptions from the prohibited transaction rules could apply to the acquisition of a Note by or with "plan assets" of a Plan, depending on the type and circumstances of the Plan fiduciary making the decision to acquire a Note. Included among these exemptions are: Prohibited Transaction Class Exemption (**"PTCE"**) 96-23, regarding transactions effected by "in-house asset managers"; PTCE 95-60, regarding investments by insurance company general accounts; PTCE 91-38, regarding investments by bank collective investment funds; PTCE 90-1, regarding investments by insurance company pooled separate accounts; and PTCE 84-14, regarding transactions effected by "qualified professional asset managers." However, even if the conditions specified in one or more of these exemptions are met, the scope of the relief provided by these exemptions might or might not cover all acts which might be construed as prohibited transactions and in particular would not apply to prohibited transactions arising from the operations of the Issuer.

In any event, a fiduciary or other person investing "plan assets" of any Plan should not purchase Notes if the Issuer, the Initial Purchasers, the Trustee or any of their respective affiliates either (a) has investment discretion with respect to the investment of such assets; (b) has authority or responsibility to give or regularly gives investment advice with respect to such assets, for a fee, pursuant to an agreement or understanding that such advice will serve as a primary basis for investment decisions with respect to such assets and that such advice will be based on the particular investment needs of such Plan; or (c) unless PTCE 95-60, 91-38 or 90-1 is applicable, is an employer maintaining or contributing to such Plan. A party that is described in clause (a) or (b) of the preceding sentence is a fiduciary under ERISA with respect to the Plan and any such purchase might result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code.

As a general rule, certain employee benefit plans, including governmental plans (as defined in Section 3(32) of ERISA) and certain church plans (as defined in Section 3(33) of ERISA), are not subject to ERISA's requirements. Accordingly, assets of many such plans may be invested in the Notes without regard to ERISA prohibited transaction considerations described above, subject to the provisions of other applicable federal and state law. However, any such plan which is qualified and exempt from taxation under Sections 401(a) and 501(a) of the Code may nonetheless be subject to the prohibited transaction rules set forth in Section 503 of the Code and, under certain circumstances in the case of church plans, Section 4975 of the Code. Also, some governmental plans are subject to federal, state or local laws which are, to a material extent, similar to the provisions of ERISA or Section 4975 of the Code (a **"Similar Law"**). Each governmental plan fiduciary should make its own determination as to the need for and the availability of any exemptive relief under a Similar Law.

***Each Holder of a Note, by its acquisition thereof, shall be deemed to represent to the Issuer and the Trustee that either (i) no part of the funds being used to pay the purchase price for such Note constitutes "plan assets" of any Plan, or (ii) if the funds being used to pay the purchase price for such Note includes "plan assets" of any Plan, an exemption to the prohibited transaction rules applies.***

**Any person proposing to invest assets of any Plan, or any governmental plan subject to Similar Law, in the Notes should consult with its counsel to confirm that such investment will not constitute or result in any prohibited transaction that is not subject to an exemption and will satisfy the other requirements of ERISA, the Code and, in the case of such a governmental plan, Similar Law.**

## CERTAIN LEGAL INVESTMENT CONSIDERATIONS

Institutions whose investment activities are subject to legal investment laws and regulations or to review by certain regulatory authorities may be subject to restrictions on investments in the Notes. Any such institution should consult its legal advisors in determining whether and to what extent there may be restrictions on its ability to invest in the Notes. Without limiting the foregoing, any financial institution that is subject to the jurisdiction of the Comptroller of Currency, the Federal Reserve, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the National Credit Union Administration, any state insurance commission, or any other federal or state agencies with similar authority should review any applicable rules, guidelines and regulations prior to purchasing the Notes. Depository institutions should review and consider the applicability of the Federal Financial Institutions Examination Council Supervisory Policy Statement on Securities Activities, which has been adopted by the respective federal regulators.

None of the Co-Issuers nor the Initial Purchasers make any representation as to the proper characterization of the Notes for legal investment or other purposes, or as to the ability of particular investors to purchase the Notes for legal investment or other purposes, or as to the ability of particular investors to purchase the Notes under applicable investment restrictions. The uncertainties described above (and any unfavorable future determinations concerning legal investment or financial institution regulatory characteristics of the Notes) may affect the liquidity of the Notes. Accordingly, all institutions whose activities are subject to legal investment laws and regulations, regulatory capital requirements or review by regulatory authorities should consult their own legal advisors in determining whether and to what extent the Notes are subject to investment, capital or other restrictions.

## RATINGS

It is a condition of issuance that the Class A-1 Notes be rated "Aaa" by Moody's, "AAA" by Fitch, and "AAA" by S&P, the Class A-2L Deferrable Notes be rated at least "Aa1" by Moody's, at least "AA" by Fitch and at least "AA-" by S&P, the Class A-3L Notes be rated at least "A3" by Moody's and at least "A-" by Fitch, the Class A-3A Notes be rated at least "A3" by Moody's and at least "A-" by Fitch, the Class A-3B Notes be rated at least "A3" by Moody's and at least "A-" by Fitch, and the Class B-1L Notes be rated at least "Baa3" by Moody's and at least "BBB" by Fitch. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organization.

**The ratings of the Class A-1 Notes by S&P address solely the likelihood of timely payment of the Periodic Interest Amount on and the ultimate payment of the Aggregate Principal Amount of the Class A-1 Notes. The rating of the Class A-2L Deferrable Notes by S&P address solely the likelihood of the ultimate payment of the Cumulative Interest Amount and the Aggregate Principal Amount of the Class A-2L Deferrable Notes. The ratings of the Notes by Fitch address solely the likelihood of timely payment of the Periodic Interest Amount on and the ultimate payment of the Aggregate Principal Amount of the Class A-1 Notes and the ultimate payment of the Cumulative Interest Amount and the Aggregate Principal Amount of the Class A-2L Deferrable Notes, the Class A-3L Notes, the Class A-3A Notes, the Class A-3B Notes and the Class B-1L Notes. The ratings of the Notes by Moody's address the ultimate cash receipt of all required payments as provided by the governing documents, and are based on the expected loss to the Noteholders of each Class relative to the promise of receiving the present value of such payments. A rating is not a recommendation to purchase, hold or sell securities, in as much as such rating does not comment as to market price or suitability for a particular investor and may be subject to revision or withdrawal at any time by the assigning rating organization.**

In the event that any rating initially assigned to the Notes is subsequently lowered for any reason, no person or entity is obligated to provide any additional support or credit enhancement with respect to the Notes. The Issuer has not requested a rating on the Notes by any rating agencies other than Moody's, Fitch and S&P, although data with respect to the Portfolio Collateral may have been provided to other rating agencies solely for informational purposes. There can be no assurance that, if a rating is assigned to the Notes by any other Rating Agency, such rating will be as high as that assigned by Moody's, Fitch and S&P.

The Indenture provides that the Issuer shall obtain an annual review of the ratings assigned to each Class of Notes. The failure of Moody's, Fitch and S&P to review or confirm a rating or the withdrawal of a rating does not constitute an Event of Default under the Indenture.

## USE OF PROCEEDS

The proceeds from the sale of the Notes as described herein, together with proceeds from the sale of the Preferred Shares and the Up Front Payment from the Swap Counterparty, will be used by the Issuer to fund the purchase of a principal amount of the Initial Portfolio Collateral of at least equal to the Initial Portfolio Collateral Amount, to fund the Deposit on the Closing Date of cash in the approximate amount such that the Aggregate Principal Amount of the entire Portfolio Collateral purchased by the Issuer on or before the Effective Date will equal the Required Portfolio Collateral Amount, and to fund the deposit in the Expense Reimbursement Account on the Closing Date of approximately U.S. $50,000, which Expense Reimbursement Account will be available for payment from time to time of future expenses of the Issuer pending the receipt of collections in respect of the Portfolio Collateral as described herein, and to pay organizational, structuring, legal and offering fees and expenses, including the structuring and placement fees and expenses of the Initial Purchasers, related to the transaction. The net proceeds available to the Issuer after the payment of such fees and expenses are expected to equal U.S. $516,730,000.

## PLAN OF DISTRIBUTION

Bear, Stearns & Co. Inc. and SunTrust Capital Markets, Inc. will act as initial purchasers (the **"Initial Purchasers"**) and have advised the Issuer that they propose to offer the Notes to prospective purchasers from time to time in individually negotiated transactions at varying prices to be determined in each case at the time of sale. The prices paid by the Initial Purchasers for the Notes may be less than those paid by other purchasers of Notes. The Initial Purchasers may offer or sell Notes to purchasers at negotiated prices which may vary among different purchasers of Notes of any Class. In addition to the structuring and placement fees paid to them, the Initial Purchasers may be deemed to receive compensation for the sale of the Notes to the extent that the price(s) paid by them for the Notes is less than the price(s) at which they are resold. In addition, the Initial Purchasers are acting as broker, dealer or placement agent and earning a fee or commission in connection with the transactions pursuant to which the Issuer is acquiring the Portfolio Collateral.

The Notes are offered when, as and if issued by the Issuer, subject to prior sale or withdrawal, cancellation or modification of the offer without notice and subject to approval of certain legal matters by counsel and certain other conditions. It is expected that delivery of the Notes will be made on or about the Closing Date, against payment in immediately available funds.

The Notes have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, United States persons except to (i) Qualified Institutional Buyers in reliance on Rule 144A under the Securities Act or Accredited Investors in reliance of an exemption from the registration requirements of the Securities Act and (ii) other persons or entities pursuant to other valid exemptions from the registration requirements of the Securities Act.

Without limiting the foregoing, no transfer of Notes may be made except to a non-U.S. Person in an offshore transaction in compliance with Regulation S or to a Qualified Purchaser or if such transfer would not require the Issuer or the Co-Issuer to become subject to the registration requirements of the Investment Company Act.

Each Initial Purchaser represented and agreed that it (i) has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("FSMA") received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and (ii) has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

No invitation may be made to the public in the Cayman Islands to subscribe for the Notes or the Preferred Shares.

Purchasers of Notes sold outside the United States may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the price charged to investors for the Notes.

The Notes are new securities for which there currently is no market. Accordingly, no assurance can be given as to the development or liquidity of any market for the Notes.

## LISTING AND GENERAL INFORMATION

1. Application has been made to the Irish Stock Exchange to admit the Notes to the Daily Official List. There can be no assurance that such listing will be granted or maintained. In connection with the listing of the Notes on the Irish Stock Exchange, this Confidential Offering Circular will be filed with the Registrar of Companies of Ireland pursuant to Regulation 13 of the European Community (Stock Exchange) Regulations, 1984 of Ireland.

2. For fourteen days following the date of this Confidential Offering Circular, copies of the Memorandum of Association of the Issuer, the Articles of Association of the Issuer, the Certificate of Incorporation of the Co-Issuer, the Bylaws of the Co-Issuer, the Declaration of Trust of the Issuer, the Indenture, the Swap Agreement, the Collateral Administration Agreement and the Paying Agency Agreement for Ireland (such agreements, collectively the **"Material Contracts"**) and a description of the collateral will be available for inspection and will be obtainable at the offices of the Irish Paying Agent in Dublin, Ireland and at the office of the Administrator and the registered office of the Issuer in Cayman Islands where copies of the foregoing may be obtained upon request.

3. While the Notes are listed on the Irish Stock Exchange, copies of the Memorandum of Association of the Issuer, the Articles of Association of the Issuer, the resolutions of the director for the Issuer authorizing the issuance of the Notes and the Indenture will be available for inspection at the office of the Trustee and at the registered office of the Issuer.

4. The Issuer represents that as of the date of this Confidential Offering Circular, there has been no material adverse change in its financial position since its date of its creation. The Issuer has not been involved in any litigation or arbitration proceedings relating to claims in amounts which may have or have had a material effect on the Issuer in the context of the issuance of the Notes, nor, so far as the Issuer is aware, is any such litigation or arbitration involving it pending or threatened.

5. The issuance of the Notes was authorized by the directors of the Issuer by a resolution passed on or before the Closing Date. Since its creation, the Issuer has not commenced trading, established any accounts or declared any dividends, except for the transactions described herein relating to the Issuance of the Notes and no annual report or accounts have been prepared as of the date of the listing particulars of the Irish Stock Exchange.

6. The Issuer is not required by Caymans Islands law, and the Issuer does not intend, to publish annual reports or accounts. The Indenture, however, requires the Issuer to provide the Trustee with written confirmation, on an annual basis, that to the best of its knowledge following review of the activities of the prior year, no Event of Default or Default or other matter required to be brought to the Trustee's attention has occurred or, if one has, specifying the same.

7. The Issuer accepts responsibility for the information contained in this Confidential Offering Circular and to the best of the knowledge and belief of the Issuer the information contained in this Confidential Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

## CERTAIN LEGAL MATTERS

The validity of the Notes and certain other legal matters, including certain matters relating to certain United States federal tax consequences of the ownership of the Notes, will be passed upon for the Issuer and the Initial Purchasers by Orrick, Herrington & Sutcliffe LLP, New York, New York. Certain legal matters relating to Cayman Islands law will be passed on for the Issuer by Maples and Calder. As to all matters of Cayman Islands law, Orrick, Herrington & Sutcliffe LLP will rely on the opinions of Maples and Calder.

## FINANCIAL STATEMENTS

The Issuer confirms that as of the date of this Confidential Offering Circular (a) the Issuer has not commenced business, (b) no dividends have been declared or paid, (c) the directors have not approved any financial statements for laying before a general meeting of the Issuer and (d) the auditor has not audited any financial statements of the Issuer.

**ANNEX A**

## GLOSSARY OF CERTAIN DEFINED TERMS

Set forth below are definitions of certain defined terms used in this Confidential Offering Circular.

"Accelerated Maturity Date": The date selected by an Affiliated HC for an optional redemption, in whole or in part, of the Corresponding Debentures.

"Accredited Investor": An "accredited investor" as defined in Rule 501(a) promulgated under the Securities Act.

"Additional Amount": As defined under "Security for the Notes – Description of the Trust Securities – Description of the Corresponding Debentures."

"Adjusted Collateral Collections": With respect to any Payment Date, the sum of (i) the Adjusted Collateral Interest Collections collected during the applicable Due Period and (ii) the Adjusted Collateral Principal Collections collected during the applicable Due Period, as each is determined as of the Calculation Date relating to such Payment Date.

"Adjusted Collateral Interest Collections": As defined under "Description of the Notes – Adjusted Collateral Collections."

"Adjusted Collateral Principal Collections": As defined under "Description of the Notes – Adjusted Collateral Collections."

"Administrator": Maples Finance Limited, or any successor appointed by the Issuer.

"Affiliate": With respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "control," when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing; provided that (for the avoidance of doubt) the only Affiliate of the Issuer shall be the Co-Issuer and the only Affiliate of the Co-Issuer shall be the Issuer.

"Affiliated HC": With respect to each Trust Securities Issuer or SMTS Issuer, its parent bank holding company or thrift holding company of a depositary institution (or, in the case of one Trust Security that may be acquired on or after the Closing Date, of a trust bank institution).

"Affiliated HC Indenture": The indenture pursuant to which the Corresponding Debentures of an Affiliated HC are issued.

"Aggregate Base Fees and Expenses": With respect to any Payment Date, the sum of (a) the Trustee Administrative Expenses with respect to such Payment Date and any Trustee Administrative Expenses with respect to a previous Payment Date that were not paid on a previous Payment Date, (b) the Preferred Shares Administrative Expenses with respect to such Payment Date and any Preferred Shares Administrative Expenses with respect to a previous Payment Date that were not paid on a previous Payment Date and (c) the Issuer Base Administrative Expenses with respect to such Payment Date and any Issuer Base Administrative Expenses with respect to a previous Payment Date that were not paid on a previous Payment Date or replenishment of the Expense Reimbursement Account to the extent any of the amounts referred to in this clause (c) had been paid from funds on deposit therein.

"Aggregate Principal Amount": With respect to any date of determination, when used with respect to any Portfolio Collateral, the aggregate Principal Balances of such Portfolio Collateral on such date of determination. With respect to any date of determination, when used with respect to any Eligible Investments, the Balance of such Eligible Investments on such date of determination. When used with respect to any Class of Notes, as of any date of determination, the original principal amount of such Class of Notes reduced by all prior payments, if any, made with respect to principal of such Notes. When used with respect to the Notes in the aggregate, the sum of the Aggregate Principal Amount of each Class of Notes.

"Applicable Periodic Rate": With respect to the Class A-1L Notes, a rate equal to LIBOR for the applicable Periodic Interest Accrual Period *plus* 0.35% *per annum*. With respect to the Class A-1LA Notes, a rate equal to LIBOR for the applicable Periodic Interest Accrual Period *plus* 0.31% *per annum*. With respect to the Class A-1LB Notes, a rate equal to LIBOR for the applicable Periodic Interest Accrual Period *plus* 0.47% *per annum*. With respect to the Class A-2L Deferrable Notes, a rate equal to LIBOR for the applicable Periodic Interest Accrual Period *plus* 0.62% *per annum*. With respect to the Class A-3L Notes, a rate equal to LIBOR for the applicable Periodic Interest Accrual Period *plus* 1.30% *per annum*. With respect to the Class A-3A Notes, at a rate equal to (a) from the Closing Date to and including the July 2010 Payment Date, 5.8364% *per annum* and (b) after the July 2010 Payment Date, LIBOR for the applicable Periodic Interest Accrual Period *plus* 1.30% *per annum*. With respect to the Class A-3B Notes, at a rate equal to (a) from the Closing Date to and including the July 2008 Payment Date, 5.7447% *per annum* and (b) after the July 2008 Payment Date, LIBOR for the applicable Periodic Interest Accrual Period *plus* 1.30% *per annum*. With respect to the Class B-1L Notes, a rate equal to LIBOR for the applicable Periodic Interest Accrual Period *plus* 2.70% *per annum*.

"Applicable Regulator": Means, with respect to an Affiliated HC or the Bank Note Issuers, Federal Reserve or the Office of Thrift Supervision or, with respect to one Affiliated HC relating to one item of Portfolio Collateral that may be acquired on or after the Closing Date, the Office of the Comptroller of Currency, as applicable, or any other governmental agency with regulatory authority over the banking operations of an Affiliated HC or a Bank Note Issuer.

"Auction": As defined in "Description of the Notes—Auction Call Redemption."

"Auction Agent": Initially, the Trustee.

"Auction Call Note Redemption Price": With respect to each Class of Notes, an amount equal to the aggregate of (i) the Aggregate Principal Amount of such Class of Notes as of the Auction Call Redemption Date and (ii) the applicable Cumulative Interest Amount with respect to the Auction Call Redemption Date.

"Auction Call Redemption": As defined in "Description of the Notes—Auction Call Redemption."

"Auction Call Redemption Amount": As defined in "Description of the Notes—Auction Call Redemption."

"Auction Call Redemption Date": As defined in "Description of the Notes—Auction Call Redemption."

"Auction Procedures": As defined in Schedule F to the Indenture.

"Available Funds": With respect to any Payment Date, the amount of any positive balance in the Collection Account as of the Calculation Date relating to such Payment Date.

"Balance": On any date, with respect to cash or Eligible Investments in the Collection Account, the Initial Deposit Account, the Initial Period Reserve Account, the Expense Reimbursement Account, the aggregate (i) face amount or current balance, as the case may be, of cash, demand deposits, time deposits, certificates of deposit, bankers' acceptances, federal funds and commercial bank money market accounts; (ii) outstanding principal amounts of interest-bearing government and corporate securities, and (iii) purchase price of non-interest-bearing government and corporate securities, commercial paper and repurchase obligations.

"Bank Note Issuers": Any bank, thrift, other depository institution or its parent holding company.

"Bank Subordinated Notes": Subordinated notes issued by the Bank Note Issuers with an original maturity not exceeding 30 years.

"Business Day": Any day that is not a Saturday, Sunday or other day on which commercial banking institutions in the City of New York, or Minneapolis, Minnesota, United States of America or in the city in which the Corporate Trust

Office is located are authorized or obligated by law or executive order to be closed. With respect to any act required of the Issuer, Business Day shall be construed to include a reference in the preceding sentence to the Cayman Islands and with respect to any act required of the Irish Paying Agent in Ireland (or any act to be performed through the Irish Paying Agent in Ireland), Business Day shall be construed to include a reference in the preceding sentence to Dublin, Ireland.

"Calculation Agent": Initially, Wells Fargo Bank, National Association.

"Calculation Date": The last day of each Due Period.

"Capital Treatment Event": Means the receipt by a Trust Securities Issuer of an opinion of counsel experienced in such matters to the effect that, as a result of any amendment to, or change in, the laws, rules or regulations of the United States or any political subdivision thereof or therein, or as the result of any official or administrative pronouncement or action or decision interpreting or applying such laws, rules or regulations, which amendment or change is effective or which pronouncement, action or decision is announced on or after the date of original issuance of the Corresponding Debentures, there is more than an insubstantial risk that such Affiliated HC will not, within 90 days of the date of such opinion, be entitled to treat an amount equal to the Principal Balance of the Trust Securities as "Tier 1 Capital" (or the then equivalent thereof) for purposes of the capital adequacy guidelines of the Applicable Regulator, as then in effect and applicable to such Affiliated HC (or if the Affiliated HC is not a bank holding company, such guidelines applied to the Company as if the Affiliated HC were subject to such guidelines); *provided, however*, that (i) the distribution of Corresponding Debentures in connection with the liquidation of any Trust Securities Issuer by the Affiliated HC shall not in and of itself constitute a Capital Treatment Event unless such liquidation shall have occurred in connection with a Tax Event or an Investment Company Event and (ii) with respect to certain Trust Securities, the inability of the Affiliated HC to treat all or any portion of the liquidation amount of the Corresponding Debentures as "Tier 1 Capital" shall not constitute the basis for a Capital Treatment Event, if such inability results from the Affiliated HC having cumulative preferred stock, minority interests in consolidated subsidiaries, or any other class of security or interest which the Applicable Regulator may now or hereafter accord "Tier 1 Capital" treatment in excess of the amount which may now or hereafter qualify for treatment as "Tier 1 Capital" under applicable capital adequacy guidelines.

"Class": The Class A-1L Notes, the Class A-1LA Notes, the Class A-1LB Notes, the Class A-2L Deferrable Notes, the Class A-3L Notes, the Class A-3A Notes, the Class A-3B Notes and the Class B-1L Notes as the case may be.

"Class A Notes": The Class A-1L Notes, the Class A-1LA Notes, the Class A-1LB Notes, the Class A-2L Deferrable Notes, the Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes.

"Class A-1 Principal Allocation": With respect to any amount specified as allocable in accordance with the Class A-1 Principal Allocation, an allocation (i) to the Class A-1L Notes, in an amount equal to such amount multiplied by a fraction, the numerator of which is the Aggregate Principal Balance of the Class A-1L Notes and the denominator of which is the Aggregate Principal Balance of the Class A-1 Notes and (ii) to the Class A-1LA Notes, and after the Class A-1LA Notes have been paid in full, to the Class A-1LB Notes, in an amount equal to the remainder of such amount after giving effect to the allocation in clause (i).

"Class A-1L Notes": The U.S. $170,000,000 Class A-1L Floating Rate Notes Due October 2035.

"Class A-1LA Notes": The U.S. $126,000,000 Class A-1L Floating Rate Notes Due October 2035.

"Class A-1LB Notes": The U.S. $39,000,000 Class A-1L Floating Rate Notes Due October 2035.

"Class A-2 Overcollateralization Ratio": As described under "Description of the Notes – Overcollateralization Tests."

"Class A-2 Overcollateralization Test": With respect to any date of determination, a test met when the Class A-2 Overcollateralization Ratio is at least equal to 112.0% relating to such date of determination.

"Class A-2L Deferrable Notes": The U.S. $45,500,000 Class A-2L Deferrable Floating Rate Notes Due October 2035.

"Class A-3 Overcollateralization Ratio": As described under "Description of the Notes – Overcollateralization Tests."

"Class A-3 Overcollateralization Test": With respect to any date of determination occurring on and after the October 2015 Payment Date, a test met when the Class A-3 Overcollateralization Ratio is at least equal to 105.0% relating to such date of determination; it being understood, for the avoidance of doubt, that the Class A-3 Overcollateralization Test is not applicable before the October 2015 Payment Date.

"Class A-3A Notes": The U.S. $19,000,000 Class A-3A Fixed/Floating Rate Notes Due October 2035.

"Class A-3B Notes": The U.S. $19,000,000 Class A-3B Fixed/Floating Rate Notes Due October 2035.

"Class A-3L Notes": The U.S. $40,000,000 Class A-3L Floating Rate Notes Due October 2035.

"Class B Overcollateralization Ratio": As described under "Description of the Notes – Overcollateralization Tests."

"Class B Overcollateralization Test": With respect to any date of determination, a test met when the Class B Overcollateralization Ratio is at least equal to 103.5% relating to such date of determination.

"Class B-1L Notes": The U.S. $30,500,000 Class B-1L Floating Rate Notes Due October 2035.

"Class P1 Collateral": Collectively, the Class P1 Collateral Account (including all property credited thereto), the Class P1 Underlying Note and any proceeds of any of the foregoing.

"Class P1 Collateral Account": The account established with the Trustee for use in connection with the collection and disbursement of collections related to the Class P1 Collateral.

"Class P1 Combination Notes": The U.S.$3,600,000 notional principal amount of Class P1 Combination Notes Due October 2035.

"Class P1 Principal Component": The component of the Class P1 Combination Notes representing the Class P1 Underlying Note.

"Class P1 Stated Maturity Date": With respect to the Class P1 Combination Notes, the Payment Date occurring in October 2035.

"Class P1 Underlying Note": The U.S.$3,600,000 (principal face amount) FNMA Principal Strip due November 15, 2030, CUSIP No. 31358DDS0.

"Closing Date": August 24, 2005.

"Closing Expense Account": An account maintained by the Issuer with the Trustee into which an amount necessary to pay closing expenses will be deposited on the Closing Date.

"Code": The United States Internal Revenue Code of 1986, as amended from time to time.

"Co-Issuer": Soloso CDO 2005-1 Corp., a Delaware corporation.

"Co-Issuers": The Issuer and the Co-Issuer.

"Collateral Administration Agreement": The Collateral Administration Agreement, dated as of the Closing Date, between the Issuer and Wells Fargo Bank, National Association, in its capacity as collateral administrator.

"Collateral Interest Collections": With respect to any Payment Date, the sum of (i) all payments of interest with respect to any Portfolio Collateral (including any receipts of accrued interest, dividends or any premium paid in connection with the prepayment of any Portfolio Collateral, as well as any payments (other than principal or with respect to Defaulted Portfolio Collateral) received pursuant to a consent or similar solicitation which are received during the applicable Due Period, (ii) the Reinvestment Income, if any, in the Collection Account and the Initial Deposit Account which is received during the applicable Due Period, as determined as of the Calculation Date relating to such Payment Date, (iii) all amendment and waiver fees, all late payment fees, all commitment fees and all other fees and commissions received during the applicable Due Period (other than fees and commissions received in connection with the purchase of Portfolio Collateral), (iv) any funds transferred by the Trustee from the Initial Deposit Account as described under "Description of the Notes—Initial Deposit Redemption" and (v) any amount transferred from the Initial Period Reserve Account on the October 2005 Payment Date and the January 2006 Payment Date. Collateral Interest Collections will not include any interest that may have accrued on any item of Portfolio Collateral up to the date such item of Portfolio Collateral is acquired by the Issuer; such accrued interest will instead be remitted to the Initial Purchasers on the initial Payment Date in October 2005.

"Collateral Principal Collections": With respect to any Payment Date (i) all payments of any principal with respect to any Portfolio Collateral (other than Reinvestment Income thereon and amounts described in clause (ii) of the definition of "Collateral Interest Collections" herein) in the Trust Estate (including, without limitation, principal recoveries and prepayments of the Principal Balance) and principal payments received in connection with or any payments received with respect to any Defaulted Portfolio Collateral in connection with a consent or solicitation, and (ii) with respect to the Effective Date, any remaining Deposit (but excluding any Reinvestment Income thereon) not applied (a) to purchase Portfolio Collateral, (b) to effect an Initial Deposit Redemption or (c) as additional Collateral Interest Collections as described under "Description of the Notes—Initial Deposit Redemption."

"Collection Account": The Collection Account established with the Trustee for use in connection with the collection and disbursement of Collections.

"Collections": With respect to any Payment Date, the sum of (i) the Collateral Interest Collections collected during the applicable Due Period and (ii) the Collateral Principal Collections collected during the applicable Due Period, as each is determined as of the Calculation Date relating to such Payment Date.

"Common Securities": The beneficial interests represented by common securities of each Trust Securities Issuer held by the parent Affiliated HC of such Trust Securities Issuer.

"Corporate Trust Office": The principal corporate trust office of the Trustee currently located at (i) for Note transfer and exchange purposes, Wells Fargo Center, Sixth Street and Marquette Avenue, Minneapolis, Minnesota, 55479 and (ii) for all other purposes, 9062 Old Annapolis Road, Columbia, Maryland 21045-1951, or at such other address as the Trustee may designate from time to time by notice to the Noteholders and the Issuer or the principal corporate trust office of any successor Trustee.

"Corresponding Debentures": The junior subordinated deferrable interest debentures issued pursuant to an Affiliated HC Indenture and purchased by a Trust Securities Issuer from the parent Affiliated HC of such Trust Securities Issuer with the proceeds from the sale of its Trust Securities and Common Securities.

"Cumulative Interest Amount": With respect to a Payment Date and a Class of Notes, the applicable Periodic Interest Amount with respect to such Payment Date and the applicable Periodic Rate Shortfall Amount, if any, with respect to such Payment Date.

"Debentures": The Corresponding Debentures or SMTS Corresponding Debentures, as the context may require.

"Debenture Optional Redemption Price": With respect to the Corresponding Debentures, a redemption price equal to the principal amount to be redeemed *plus* any accrued and unpaid interest thereon.

"Debenture Special Redemption Price": With respect to the Corresponding Debentures, an amount equal to the principal balance of the Corresponding Debentures to be redeemed *plus* any accrued and unpaid interest thereon *plus*, with respect to a redemption occurring before the Accelerated Maturity Date, the related amount of premium, if any.

"Debenture Trustee": The financial institution acting as trustee under each Affiliated HC Indenture relating to each Trust Securities Issuer.

"Declaration": The amended and restated declaration of trust which constitute each Trust Securities Issuer and provide for the issuance of the Trust Securities of such Trust Securities Issuer.

"Declaration Event of Default": As defined under "Security for the Notes – Description of the Trust Securities – Description of the Corresponding Debentures."

"Default": Any event or condition the occurrence or existence of which would, with the giving of notice or lapse of time or both become, an Event of Default.

"Defaulted Portfolio Collateral": Any (a) Portfolio Collateral in the Trust Estate with respect to which there has occurred and is continuing any default or event of default under the related Underlying Instrument or any other obligation of the issuer of such Portfolio Collateral ranking *pari passu* or senior to the Underlying Instrument which entitles the holders of such Portfolio Collateral, with the giving of notice or passage of time or both, to accelerate the maturity of all or a portion of the principal amount of such Portfolio Collateral (but any such security shall be considered "Defaulted Portfolio Collateral" only until such time as the default or event of default has been cured or waived; *provided* that an event of default relating to non-payment or insolvency may not be waived), (b) Portfolio Collateral with respect to which any Deferred Interest remains outstanding (whether during or after the applicable Extension Period), (c) item of the Portfolio Collateral that is not repaid in full at its maturity, whether as a result of action or inaction by the Applicable Regulator or otherwise, or (d) Portfolio Collateral with respect to which a DS Avoidance Event has occurred; *provided, however*, that no Portfolio Collateral shall be "Defaulted Portfolio Collateral" (i) once any default or event of default under an instrument ranking *pari passu* or senior to such Portfolio Collateral, or its Corresponding Debenture or any DS Avoidance Event has been cured or waived; provided that an event relating to non-payment or insolvency may not be waived, (ii) if any proposal giving rise to a DS Avoidance Event is withdrawn, or (iii) if any exchange of any instrument other than a Portfolio Collateral or its related Debenture giving rise to a DS Avoidance Event is effected thereunder and the Trustee receives an opinion from an independent investment bank (which may be Bear, Stearns & Co. Inc., SunTrust Capital Markets, Inc. or an Affiliate) opining that the related Portfolio Collateral Issuer or its Affiliated HC or both, as applicable, is not in default with respect to all other instruments ranking *pari passu* or senior to the Portfolio Collateral or its related Debenture and not in default under the instrument received in the exchange and a Rating Confirmation has been received with respect to such exchange. Fees and expenses of any firm so retained shall be Issuer Base Administrative Expenses payable in accordance with the priority of payments described herein. The Trustee will give prompt notice to the Rating Agencies with respect to any item of Portfolio Collateral that has become Defaulted Portfolio Collateral.

"Deferred Interest": Any (a) interest that is accrued and unpaid on any Trust Securities or the Corresponding Debentures, with interest thereon, during an Extension Period with respect to the related Corresponding Debentures, or (b) interest that is accrued and unpaid on any SMTS or the related Debentures, as applicable, with interest thereon, during an Extension Period with respect to the related Debentures, *provided* that deferral of payment of such interest does not result in a default or event of default in accordance with the terms of such SMTS or the related Debentures, as applicable.

"Definitive Notes": With respect to any Class, the definitive fully registered Notes of each Class (a) sold in the United States to Accredited Investors who are U.S. Persons or (b) issued in lieu of Global Notes under the circumstances described herein.

"Deposit": The cash deposited in the Initial Deposit Account on the Closing Date (excluding any Reinvestment Income thereon).

"DS Avoidance Event": Any (i) bankruptcy, insolvency or receivership proceeding has been initiated with respect to a Portfolio Collateral Issuer or its Affiliated HC, or (ii) proposed or effected distressed exchange or other debt restructuring in which the Portfolio Collateral Issuer or its Affiliated HC has offered the holder of an item of Portfolio

Collateral, its related Debenture, or any debt ranking *pari passu* or senior to the related Debenture a new security or package of securities that has the purpose of helping the Portfolio Collateral Issuer or its Affiliated HC to avoid default thereunder.

"DTC": Depository Trust Company or any successor thereto.

"Due Period": With respect to any Payment Date, the period beginning on the day following the last day of the immediately preceding Due Period (or, in the case of the Due Period that is applicable to the first Payment Date beginning on the Closing Date) and ending at the close of business on the seventh day of the calendar month in which such Payment Date occurs or, if such day is not a Business Day, on the next succeeding Business Day.

"Effective Date": The earlier of (i) the first date on which the Deposit has been applied to the purchase of Portfolio Collateral such that the Aggregate Principal Amount of the Portfolio Collateral is at least equal to the Required Portfolio Collateral Amount or (ii) October 15, 2005.

"Eligible Investments": Any U.S. dollar denominated investment that is one or more of the following (including security entitlements thereto):

(a) direct registered obligations of, and registered obligations fully guaranteed by, the United States of America or any agency or instrumentality of the United States of America the obligations of which are backed by the full faith and credit of the United States of America other than obligations of the Federal Home Loan Mortgage Corporation; *provided, however*, that, in the case of obligations that are rated, each such obligation shall, at the time of its inclusion in the Trust Estate, have a credit rating of "AA-" or better or "A-1+" or better, as applicable, by S&P (except that investments in an amount up to 20% of the Aggregate Principal Amount of the Notes outstanding may be rated "A-1") and "Aa3" or better (if such obligation has a long term rating) or "P-1" or better by Moody's and "AA-" or better or "F1+" or better, as applicable, by Fitch;

(b) demand and time deposits in, and certificates of deposit of, any depository institution or trust company (including the Trustee) incorporated under the laws of the United States of America or any state thereof and subject to the supervision and examination by federal and/or state banking authorities so long as the commercial paper and/or debt obligations of such depository institution or trust company (or, in the case of the principal depository institution in a holding company system, the commercial paper or debt obligations of such holding company) at the time of such investment or contractual commitment providing for such investment have a credit rating of "AA-" or better, in the case of debt obligations, or "A-1+" or better, in the case of commercial paper, by S&P (except that investments in an amount up to 20% of the Aggregate Principal Amount of the Notes outstanding may be rated "A-1"), "Aa3" or better (if such obligation has a long term rating) or "P-1" or better by Moody's and "AA-" or better or "F1+" or better, as applicable, by Fitch;

(c) registered securities bearing interest or sold at a discount issued by any corporation incorporated under the laws of the United States of America or any state thereof that have a credit rating of "AA-" or better by S&P, "Aa3" or better (if such obligation has a long term rating) or "P-1" or better by Moody's and "AA-" or better or "F1+" or better, as applicable, by Fitch, at the time of such investment or contractual commitment providing for such investment;

(d) repurchase obligations with respect to any security described in clause (a) above, entered into with a depository institution or trust company (acting as principal) described in clause (b) above (including the Trustee) or entered into with a corporation (acting as principal) whose short-term debt has a credit rating of "A-1+" (except that investments in an amount up to 20% of the Aggregate Principal Amount of the Notes outstanding may be rated "A-1") or better by S&P, "Aa3" or better (if such obligation has a long term rating) or "P-1" or better by Moody's and "AA-" or better or "F1+" or better, as applicable, by Fitch, at the time of such investment in the case of any repurchase obligation for a security having a maturity not more than 183 days from the date of its issuance or whose long-term debt has a credit rating of "AA-" or better by S&P and "Aa3" or better (if such obligation has a long term rating) by Moody's at the time of such investment in the case of any repurchase obligation for a security having a maturity more than 183 days from the date of its issuance;

(e) commercial paper having at the time of such investment a credit rating of "A-l+" (except that an amount up to 20% of the Aggregate Principal Amount of the Notes outstanding may be rated "A-1") or better by S&P, "Aa3" or better (if such obligation has a long term rating) or "P-1" or better by Moody's and "AA-" or better or "F1+" or better, as applicable, by Fitch and that has a maturity of not more than 183 days from its date of issuance; *provided, however,* that in the case of commercial paper with a maturity of longer than 91 days, the issuer of such commercial paper (or, in the case of a principal depository institution in a holding company system, the holding company of such system), if rated by S&P, must have at the time of such investment a long-term credit rating of "AA-" or better by S&P, "Aa3" or better (if such obligation has a long term rating) by Moody's and "AA-" or better by Fitch;

(f) off-shore money market funds (including those for which the Trustee or its affiliates serves as an advisor or manager), the investments of which are limited to any investments described in clauses (a) through (e) above and which funds have, at all times, the highest credit rating assigned to such investment category by S&P, Moody's and, if rated by Fitch, Fitch; and

(g) such other Eligible Investments acceptable to the Rating Agencies;

*provided, however*, that: (i) Eligible Investments purchased with funds in the Collection Account shall be held until maturity (or sold only for an amount at least equal to the par amount of such Eligible Investment) and shall include only such obligations or securities as mature no later than the Business Day prior to the next Payment Date; (ii) none of the foregoing obligations or securities shall constitute Eligible Investments if all, or substantially all, of the remaining amounts payable thereunder shall consist of interest and not principal payments; (iii) none of the S&P ratings required above shall have a subscript of "p", "pi", "q", "r" or "t"; (iv) none of the foregoing obligations or securities shall constitute Eligible Investments if such obligations or securities are mortgage-backed securities; (v) no such obligation may be margin stock, securities which have a mandatory or optional conversion to equity or securities which are subject to an Offer; (vi) any such investment purchased based on the S&P short term rating of "A-1" must mature no later than sixty (60) days after the date of purchase; and (vii) no Eligible Investments shall be subject to withholding tax imposed by any jurisdiction or, if subject to withholding tax imposed by any jurisdiction, the obligor thereunder is required under the terms of the underlying instrument to make "gross-up" payments that cover the full amount of any such withholding tax on an after-tax basis. Eligible Investments may include those investments with respect to which the Trustee or its Affiliates provides services.

"ERISA": The United States Employee Retirement Income Security Act of 1974, as amended from time to time.

"Euroclear": Euroclear Bank, S.A./N.V., as operator of the Euroclear System.

"Event of Default": The meaning specified herein under "Legal Structure – The Indenture – Events of Default."

"Exchange Act": The United States Securities Exchange Act of 1934, as amended.

"Expense Reimbursement Account": An account maintained by the Issuer with the Trustee into which U.S. $50,000 will be deposited on the Closing Date for the purpose of paying Issuer Base Administrative Expenses which are paid between Payment Dates when they are due and payable during such time.

"Extension Period": Means (a) in the case of Trust Securities, the period during which an Affiliated HC has exercised its right, subject to certain conditions described herein, to defer payments of interest on its Corresponding Debentures by extending the interest payment period thereunder for up to 20 consecutive quarterly periods; *provided* that no Extension Period may extend beyond the maturity date of the related Trust Securities issued by its subsidiary Trust Securities Issuer or end on a date other than a Trust Securities Payment Date related to such Trust Securities, or (b) in the case of PCTP Securities or Secondary Market Trust Securities, any comparable period.

"FDIC": The Federal Deposit Insurance Corporation.

"Federal Reserve": The Board of Governors of the Federal Reserve System.

"Final Maturity Date": The Payment Date occurring in October 2035, or such earlier date on which the Aggregate Principal Amount of each Class of Notes is paid in full, including in connection with an Optional Redemption or an Auction Call Redemption.

"Fitch" and "Fitch Ratings": Fitch, Inc. or any successor thereto.

"Global Notes": Rule 144A Global Notes and Regulation S Global Notes.

"Guarantee": Means (a) a guarantee by a parent Affiliated HC guaranteeing payments on the Trust Securities issued by its subsidiary Trust Securities Issuer to the extent described herein and (b) a similar instrument, if any, by a parent Affiliated HC guaranteeing payments on SMTS.

"Holder" and "Noteholder": The Person in whose name a Note or a Class P1 Combination Note is registered in the Note register.

"Indenture": The Indenture, dated as of the Closing Date, among the Issuer, the Co-Issuer and the Trustee, as securities intermediary, pursuant to which the Notes will be issued, as it may be amended or supplemented from time to time.

"Initial Deposit Account": As described under "Security for the Notes – Accounts" herein.

"Initial Deposit Redemption": A redemption of some or all of the Class A-1 Notes as described under "Description of the Notes—Initial Deposit Redemption."

"Initial Deposit Redemption Date": November 1, 2005.

"Initial Period Reserve Account": As described under "Security for the Notes – Accounts" herein.

"Initial Portfolio Collateral" : The Portfolio Collateral that has been identified by the Issuer and for which commitments have been entered into on or prior to the Closing Date for purchase on or as soon as practicable after (not to exceed thirty (30) days after) the Closing Date with the net proceeds from the sale of the Notes and the net proceeds from the sale of the Preferred Shares on the Closing Date.

"Initial Portfolio Collateral Amount": U.S. $501,680,000 (or such larger Aggregate Principal Amount of Portfolio Collateral as may be purchased on the Closing Date by the Issuer); it being understood, for the avoidance of doubt, that such Portfolio Collateral shall be acquired by the Issuer without any interest that may have accrued thereon up to the Closing Date.

"Initial Purchasers": Bear, Stearns & Co. Inc. and SunTrust Capital Markets, Inc.

"Institutional Trustee": The financial institution acting as institutional trustee under each Declaration.

"Interest Coverage Tests": The Senior Interest Coverage Test and the Subordinate Interest Coverage test.

"Investment Company Act": The United States Investment Company Act of 1940, as amended from time to time.

"Investment Company Event": Means the receipt by a Trust Securities Issuer and the related Affiliated HC of an opinion of counsel, rendered by a law firm having recognized national securities law practice, to the effect that, as a result of the occurrence of a change in law or regulation or change in interpretation or application of law or regulation by any legislative body, court, governmental agency or regulatory authority, there is more than an insubstantial risk that such Trust Securities Issuer is or, within 90 days of the date of such opinion will be, considered an "investment company" that is required to be registered under the Investment Company Act, which change or prospective change becomes effective or would become effective, as the case may be, on or after the date of the original issuance of the Corresponding Debentures.

"Irish Paying Agent": RSM Robson Rhodes, or any successors thereto.

"Issuer": Soloso CDO 2005-1 Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Islands.

"Issuer Base Administrative Expenses": With respect to any Payment Date, the Issuer's administrative expenses paid or payable by the Issuer during the applicable Due Period, including, without limitation, taxes, filing fees and registration fees, if any, owing by the Co-Issuers, rating agency surveillance fees and shadow rating fees, if any, and all expenses of the Administrator, the Irish Paying Agent and the securities intermediary, as determined as of the Calculation Date relating to such Payment Date and as set forth in the Note Valuation Report, in an aggregate amount that does not exceed on such Payment Date (and during the applicable Due Period) the greater of (i) one-quarter of U.S. $125,000 or (ii) one-quarter of 0.045% of the Aggregate Principal Amount of the Portfolio Collateral as of the first day of the Due Period (plus the amount, if any, by which the Issuer Base Administrative Expenses in the prior three Due Periods was less than the amount set forth in clauses (i) or (ii), as applicable), less any amounts paid pursuant to clause (iii) of the definition of Trustee Administrative Expenses and clause (ii) of the definition of the Preferred Shares Administrative Expenses.

"Issuer Default Swap Termination Amount": A Swap Termination Amount payable by the Issuer to the Swap Counterparty under the Swap Agreement as a result of (i) an "Event of Default" where the Issuer is the "Defaulting Party" or (ii) a "Termination Event" where the Issuer is the sole "Affected Party" (as defined under the applicable ISDA documentation).

"Issuer Excess Administrative Expenses": With respect to any Payment Date, (i) the administrative expenses paid or payable by the Issuer during the applicable Due Period, as determined as of the Calculation Date relating to such Payment Date and as set forth in the related Note Valuation Report, in excess of the amount of the Issuer Base Administrative Expenses for the corresponding period, (ii) the Trustee's administrative expenses for the Due Period relating to such Payment Date in excess of the amount provided for in clause (iii) of the definition of Trustee Administrative Expenses and (iii) Preferred Shares Administrative Expenses for the Due Period relating to such Payment Date in excess of the amount provided for in clause (ii) of the definition thereof.

"LIBOR": The London interbank offered rate for three-month U.S. dollar deposits (or, (i) with respect to the initial Periodic Interest Accrual Period for the Class A-1L Notes and the Class A-2L Deferrable Notes, two-month U.S. dollar deposits or (ii) with respect to the initial Periodic Interest Accrual Period for the Class A-3L Notes and the Class B-1L Notes, five-month U.S. dollar deposits) as determined by the Calculation Agent as described under "Description of the Notes – Payments on the Notes; Priority of Distributions" herein.

"LIBOR Determination Date": The second London Business Day prior to the commencement of a Periodic Interest Accrual Period.

"Liquidation": Voluntary or involuntary liquidation, dissolution, winding-up or termination of a Trust Securities Issuer.

"Liquidation Distribution": With respect to a Liquidation, distribution amounts equal to the aggregate Principal Balance of the Trust Securities *plus* accrued and unpaid distributions thereon to the date of payment.

"London Business Day": Any day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

"Mandatory Redemption": An O/C Redemption or a Rating Confirmation Failure Redemption.

"Moody's": Moody's Investors Service, Inc. or any successor thereto.

"Note Valuation Report": With respect to each Payment Date, the report prepared by or on behalf of the Issuer in accordance with the Indenture reflecting, among other things, the Collections made during the applicable Due Period and the distributions to be made on such Payment Date.

"Notes": The Class A Notes and the Class B-1L Notes.

"O/C Redemption": The redemption of a Class or Classes of the Notes to the extent necessary such that the Overcollateralization Tests and the Interest Coverage Tests are satisfied in the manner described in the Indenture.

"Optimal Principal Payment Amount": With respect to any Payment Date, an amount equal to the greater of (I) an amount equal to (a) the Aggregate Principal Amount of any Defaulted Portfolio Collateral in the Trust Estate as of such Calculation Date that became defaulted during the period commencing with the Closing Date to and including the Calculation Date relating to the July 2006 Payment Date, *minus* (b) the amount of any recoveries received on such Default Portfolio Collateral, *minus* (c) any principal payments made on the Notes on any prior Payment Dates from the Adjusted Collateral Interest Collections on account of the Optimal Principal Payment Amount, and (II) zero.

"Optional Redemption Date": The Payment Date fixed by the Issuer for an Optional Redemption which shall be no earlier than the Payment Date occurring in July 2010.

"Optional Redemption Price": With respect to each Class of Notes, an amount equal to the aggregate of (i) the Aggregate Principal Amount of such Class of Notes as of the Optional Redemption Date and (ii) the applicable Cumulative Interest Amount with respect to the Optional Redemption Date.

"Outstanding": With respect to the Preferred Shares, including Preferred Shares represented by the Class P1 Preferred Share Component of the Class P1 Combination Notes, as of the date of determination and subject to the proviso below, "Outstanding" refers to all Preferred Shares issued and indicated in the Share Register as outstanding. With respect to the Notes or the Class P1 Combination Notes (to the extent of the Class P1 Principal Components), as of the date of determination, "Outstanding" refers to all Notes or Class P1 Combination Notes theretofore authenticated and delivered under the Indenture except:

(i) Notes or Class P1 Combination Notes theretofore canceled by the Registrar or delivered (or to be delivered pursuant to the Indenture) to the Registrar for cancellation;

(ii) Notes or Class P1 Combination Notes or portions thereof for whose payment or redemption money in the necessary amount has been theretofore irrevocably deposited with the Trustee or any Paying Agent in trust for the Holders of such Notes or Class P1 Combination Notes; *provided* that, if such Notes or Class P1 Combination Notes or portions thereof are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor satisfactory to the Trustee has been made;

(iii) Notes in exchange for or in lieu of which other Notes or Class P1 Combination Notes have been authenticated and delivered pursuant to the Indenture, unless proof satisfactory to the Trustee is presented that any such Notes or Class P1 Combination Notes are held by a protected purchaser; and

(iv) Notes or Class P1 Combination Notes alleged to have been mutilated, destroyed, lost or stolen for which replacement Notes or Class P1 Combination Notes have been issued as provided in the Indenture

*provided* that, in determining whether the Holders of the requisite Aggregate Principal Amount have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes or Class P1 Combination Notes owned by or pledged to the Issuer, the Trustee or any other obligor upon the Notes or Class P1 Combination Notes or any Affiliate of the Issuer, the Trustee or of such other obligor, shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes or Class P1 Combination Notes that a responsible officer of the Trustee actually knows to be so owned or pledged shall be so disregarded.

"Overcollateralization Ratio": The Senior Overcollateralization Ratio, the Class A-2 Overcollateralization Ratio, the Class A-3 Overcollateralization Ratio or the Class B Overcollateralization Ratio, as the context may require.

"Overcollateralization Tests": The Senior Overcollateralization Test, the Class A-2 Overcollateralization Test, the Class A-3 Overcollateralization Test and the Class B Overcollateralization Test.

"Paying Agent": The Trustee, the Irish Paying Agent or any other depository institution or trust company authorized by the Co-Issuers pursuant hereto to pay principal of or any interest that may become payable on any Class of Notes on behalf of the Co-Issuers.

"Paying and Transfer Agency Agreement": The Paying and Transfer Agency Agreement between the Issuer and the Paying and Transfer Agent, dated as of the Closing Date, relating to the Preferred Shares.

"Paying and Transfer Agent": Wells Fargo Bank, National Association, as Paying and Transfer Agent with respect to the Preferred Shares.

"Payment Date": The 15th day of January, April, July and October of each calendar year, with respect to the Class A-1 Notes and the Class A-2L Deferrable Notes, commencing in October 2005, and with respect to the Class A-3L Notes, the Class A-3A Notes, the Class A-3B Notes and the Class B-1L Notes, commencing in January 2006 (or if any such date is not a Business Day, the next succeeding Business Day).

"Periodic Interest": With respect to each Class of Notes, interest on such Class payable on each Payment Date and accruing during each Periodic Interest Accrual Period at the Applicable Periodic Rate.

"Periodic Interest Accrual Period": With respect to any Payment Date, the period commencing on the prior Payment Date (or the Closing Date, in the case of the first Payment Date) and ending on the day preceding such Payment Date.

"Periodic Interest Amount": With respect to each Class of Notes and any Payment Date, the aggregate amount of interest accrued at the Applicable Periodic Rate during the related Periodic Interest Accrual Period on the Aggregate Principal Amount of such Class on the first day of such Periodic Interest Accrual Period (after giving effect to any payment of principal of such Class of Notes on such date).

"Periodic Rate Shortfall Amount": With respect to each Class of Notes and any Payment Date, any shortfall or shortfalls in the payment of the Periodic Interest Amount on such Class of Notes with respect to any preceding Payment Date or Payment Dates together with interest accrued thereon at the Applicable Periodic Rate (net of all Periodic Rate Shortfall Amounts, if any, paid with respect to such Class of Notes prior to such Payment Date).

"Periodic Swap Payment": With respect to any Payment Date, the periodic fixed-rate payment due to the Swap Counterparty on such Payment Date under the Swap Agreement.

"Permanent Regulation S Global Note": With respect to any Class, the permanent global note issued to non-U.S. Persons in exchange for the Temporary Regulation S Global Note of such Class after the Exchange Date.

"Person": Any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or government or any agency or political subdivision thereof.

"Portfolio Collateral": Collectively, the Trust Securities, Secondary Market Trust Securities and the Bank Subordinated Notes.

"Portfolio Collateral Issuers": The Trust Securities Issuers, the Bank Note Issuers and SMTS Issuers, as applicable.

"Preferred Share Component": The component of a Class P1 Combination Note representing Preferred Shares.

"Preferred Shares": The 40,500,000 Preferred Shares of the Issuer, par value U.S. $0.001, issued pursuant to the Issuer's Amended and Restated Memorandum of Association and Articles of Association and certain resolutions of the Issuer's Board of Directors.

"Preferred Shares Administrative Expenses": With respect to any Payment Date (including without limitation the Final Maturity Date), the sum of (i) a fee in an amount equal to one-quarter of U.S. $10,000 representing the fees of the Paying and Transfer Agent and (ii) the Paying and Transfer Agent's administrative expenses for the Due Period relating to such Payment Date (including indemnities), it being understood that the administrative expenses contemplated by clause (ii) of this definition shall not exceed, in the aggregate, together with the amounts referred to in clause (ii) of the definition of Trustee Administrative Expenses, for any calendar year, U.S. $100,000.

"Principal Balance": With respect to any item of Portfolio Collateral, the outstanding stated liquidation amount of such item of Portfolio Collateral and, with respect to any Eligible Investment, as of any date of determination, the outstanding principal amount of such Eligible Investment.

"Purchase Agreement": The Purchase Agreement, dated the Closing Date, between the Issuer and the Initial Purchasers.

"Qualified Institutional Buyer": A "qualified institutional buyer" as defined in Rule 144A(a)(1) promulgated under the Securities Act.

"Qualified Purchaser": A "qualified purchaser" as defined in Section 3(c)(7) of the Investment Company Act.

"Rating Agencies": Moody's, Fitch and S&P, collectively.

"Rating Confirmation": Confirmation from each of the Rating Agencies that it has not reduced or withdrawn the then-current rating assigned by it to a Class of Notes.

"Rating Confirmation Failure": The meaning specified herein under "Description of the Notes—Rating Confirmation Failure Redemption".

"Rating Confirmation Failure Redemption": The meaning specified herein under "Description of the Notes—Rating Confirmation Failure Redemption".

"Record Date": With respect to any Payment Date, (a) with respect to the Global Notes, the Business Day immediately preceding such Payment Date, or (b) with respect to the Definitive Notes, the last day of the calendar month preceding the month in which such Payment Date occurs.

"Redemption Prepayment": Any redemption of the Notes as a result of an optional redemption of the Trust Securities or a Special Event with respect to any Trust Securities or any comparable redemption with respect to the Bank Subordinated Notes or the Secondary Market Trust Securities.

"Registrar": The Trustee.

"Regulation S Global Note": Temporary Regulation S Global Notes, together with the Permanent Regulation S Global Notes.

"Reinvestment Income": Any interest or other earnings on funds in the Collection Account, the Initial Deposit Account and the Expense Reimbursement Account.

"Required Portfolio Collateral Amount": U.S. $516,680,000.

"Requisite Noteholders": The Holders of at least 66-2/3% of the Aggregate Principal Amount of the Outstanding Notes (voting as a single class); *provided* that upon the occurrence of a Default or an Event of Default under the Indenture (i) for so long as any Class A-1 Notes remain Outstanding, "Requisite Noteholders" shall mean the Holders of at least 66-2/3% of the Aggregate Principal Amount of the Outstanding Class A-1L Notes, (ii) when the Class A-1L Notes are paid in full, "Requisite Noteholders" shall mean the Holders of at least 66-2/3% of the Aggregate Principal Amount of the Class A-2L Deferrable Notes; (iii) when the Class A-1L Notes and the Class A-2L Deferrable Notes are paid in full, "Requisite Noteholders" shall mean the Holders of at least 66-2/3% of the Aggregate Principal Amount of the

Class A-3L Notes, the Class A-3A Notes and the Class A-3B Notes voting together as a single class and (iv) when the Class A Notes are paid in full, "Requisite Noteholders" shall mean the Holders of at least 66-2/3% of the Aggregate Principal Amount of Class B-1L Notes. If the Person that is acting as Trustee hereunder is a Holder of any Note for its own account, such Person shall be excluded as a Holder for purposes of this definition in connection with the consent or approval by Noteholders of any supplemental indenture affecting the provisions of the Indenture relating to the Trustee.

"Rule 144A Global Note": With respect to any Class, the permanent global note issued to U.S. Persons.

"S&P": Standard & Poor's Ratings Services or any successor thereto.

"Secondary Market Trust Securities" or "SMTS": As described under "Security for the Notes – Portfolio Collateral – General."

"Securities Act": The United States Securities Act of 1933, as amended.

"Senior Indebtedness": With respect to any Affiliated HC (i) the principal, premium, if any, and interest in respect of (A) indebtedness of the Affiliated HC for money borrowed and (B) indebtedness evidenced by securities, debentures, notes, bonds or other similar instruments issued by the Affiliated HC; (ii) all capital lease obligations of the Affiliated HC; (iii) all obligations of the Affiliated HC issued or assumed as the deferred purchase price of property, all conditional sale obligations of the Affiliated HC and all obligations of the Affiliated HC under any title retention agreement (but excluding trade accounts payable arising in the ordinary course of business); (iv) all obligations of the Affiliated HC for the reimbursement of any letter of credit, any banker's acceptance, any security purchase facility, any repurchase agreement or similar arrangement, any interest rate swap, any other hedging arrangement, any obligation under options or any similar credit or other transaction; (v) all obligations of the type referred to in clauses (i) through (iv) above of other Persons for the payment of which the Affiliated HC is responsible or liable as obligor, guarantor or otherwise; and (vi) all obligations of the type referred to in clauses (i) through (v) above of other Persons secured by any lien on any property or asset of the Affiliated HC (whether or not such obligation is assumed by the Affiliated HC), whether incurred on or prior to the date of any Affiliated HC Indenture or thereafter incurred, unless (1) with the prior approval of the Applicable Regulator, if applicable, if not otherwise generally approved, in the instrument creating or evidencing the same or pursuant to which the same is outstanding, it is provided that such obligations are not superior or are *pari passu* in right of payment to the related Debentures or (2) the Applicable Regulator shall, after the date of the issuance thereof, classify or otherwise recognize any such obligation as *pari passu* or subordinate to the related Debentures.

"Senior Interest Coverage Ratio": As described under "Description of the Notes – Interest Coverage Tests."

"Senior Interest Coverage Test": With respect to the second Payment Date and any Payment Date thereafter, a test met when the Senior Interest Coverage Ratio is at least 115.0%.

"Senior Overcollateralization Ratio": As described under "Description of the Notes – Overcollateralization Tests."

"Senior Overcollateralization Test": With respect to any date of determination, a test met when the Senior Overcollateralization Ratio is at least equal to 115.0% relating to such date of determination.

"SMTS Corresponding Debentures": With respect to Secondary Market Trust Securities, any of the debentures issued by an Affiliated HC pursuant to an indenture and purchased by an SMTS Issuer from its parent Affiliated HC with the proceeds from the sale of such Secondary Market Trust Securities.

"SMTS Issuer": Wholly-owned trust subsidiary of an Affiliated HC, as the issuer of the related SMTS.

"Special Event": A Tax Event, an Investment Company Event or a Capital Treatment Event, as applicable.

"Subordinate Interest Coverage Ratio": As described under "Description of the Notes – Interest Coverage Tests."

"Subordinate Interest Coverage Test": With respect to the second Payment Date and any Payment Date thereafter, a test met when the Subordinate Interest Coverage Ratio is at least 103.5%.

"Successor Securities": As defined under "Security for the Notes – Description of the Trust Securities – Mergers, Consolidations or Amalgamations."

"Swap Agreement": The ISDA Master Agreement, dated as of the Closing Date, including the schedule thereto and the related confirmation dated the Closing Date, between the Issuer and the Swap Counterparty.

"Swap Counterparty": The counterparty to the Issuer under the Swap Agreement, initially SunTrust Bank.

"Swap Termination Amount": Any lump-sum amount payable by the Issuer to the Swap Counterparty in connection with a "Swap Event of Default" or a "Swap Termination Event" under the Swap Agreement, which lump-sum amount is based upon, among other things, the notional amount defined in the Swap Agreement.

"Tax Event": Means the receipt by an Affiliated HC and its subsidiary Trust Securities Issuer of an opinion of counsel, rendered by a law firm having recognized federal tax law practice, to the effect that, as a result of any amendment to or change (including any announced prospective change) in the laws or any regulations thereunder of the United States or any political subdivision or taxing authority thereof or therein, or as a result of any official administrative pronouncement or judicial decision interpreting or applying such laws or regulations (regardless of whether such official administrative pronouncement or judicial decision is issued to or in connection with a proceeding involving such Affiliated HC or such Trust Securities Issuer and whether or not subject to review or appeal), which amendment or change is effective or which pronouncement or decision is announced on or after the date of issuance of the Corresponding Debentures and the related Trust Securities, there is more than an insubstantial risk that: (i) such Trust Securities Issuer is, or will be within 90 days of the date of such opinion of counsel, subject to United States federal income tax with respect to income received or accrued on the Corresponding Debentures; (ii) interest payable by the Affiliated HC on its Corresponding Debentures is not, or within 90 days of the date of such opinion of counsel, will not be, deductible by the Affiliated HC, in whole or in part, for United States federal income tax purposes; or (iii) such Trust Securities Issuer is, or will be within 90 days of the date of such opinion of counsel, subject to more than a *de minimis* amount of other taxes (including withholding taxes), duties or other governmental charges.

"Temporary Regulation S Global Note": With respect to any Class, the temporary global note issued to non-U.S. Persons in Offshore Transactions (as defined in Regulation S) in reliance on Regulation S.

"Trust Estate": All money, instruments and other property and rights subject or intended to be subject to the lien of the Indenture including all proceeds thereof, including the Portfolio Collateral, the Swap Agreement, the Collection Account, the Initial Deposit Account, the Expense Reimbursement Account and the Closing Expense Account.

"Trust Securities": Trust preferred securities issued by a Trust Securities Issuer, sold to the Issuer in the original issuance and placed by Bear, Stearns & Co. Inc. and STI Investment Management, Inc (an affiliate of SunTrust Capital Markets, Inc.).

"Trust Securities Issuer": Wholly-owned trust subsidiary of an Affiliated HC, as the issuer of the related Trust Securities.

"Trust Securities Payment Date": The quarterly payment dates on which distributions on the Trust Securities are made.

"Trust Securities Rate": The applicable floating, fixed or fixed/floating rate of interest accruing and payable on each Trust Security as set forth on Annex B.

"Trust Securities Redemption Price": With respect to the Trust Securities, a redemption price equal to the outstanding Principal Balance of such Trust Securities to be redeemed *plus* accumulated and unpaid distributions to the redemption date *plus* the related amount of any premium.

"Trustee": Wells Fargo Bank, National Association, as trustee under the Indenture.

"Trustee Administrative Expenses": With respect to any Payment Date (including without limitation the Final Maturity Date), (i) a fee in an amount equal to one-quarter of 0.025% of the Aggregate Principal Amount of the Portfolio Collateral as of the first day of the Due Period relating to such Payment Date, subject to a minimum of U.S. $40,000 *per annum*, and (ii) the Trustee's administrative expenses for the Due Period relating to such Payment Date, it being understood that the administrative expenses contemplated by clause (ii) of this definition shall not exceed, in the aggregate, together with the amounts referred to in clause (ii) of the definition of Preferred Shares Administrative Expenses, for any calendar year, U.S. $100,000.

"Underlying Instrument": With respect to any item of Portfolio Collateral, the trust agreement, indenture or other agreement pursuant to which such item of Portfolio Collateral has been created or issued or of which the holders of such item of Portfolio Collateral are the beneficiaries, and any instrument evidencing or constituting such item of Portfolio Collateral.

"Up Front Payment": The up front payment due to the Issuer on the Closing Date under the Swap Agreement.

## TABLES OF INITIAL PORTFOLIO COLLATERAL

| Issuer [1] | Region | Type | Amount ($K) | % of Target Pool | 100% of Issuance owned by Soloso CDO 2005-1 | Pmt Freq | Next Payment Date | Coupon for first 5 years | Coupon after year 5 | All-in Rate Cap (first 5 yrs) | Optional Redemption Date | Optional Redemption Price | Maturity Date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 3 | BHC Sub debt | 15,000 | 2.9032% | YES | Quarterly | 10/7/2005 | L+2.00% | L+2.00% | N/A | 7/7/2010 | 100% | 7/7/2035 |
| 2 | 2 | BHC | 5,000 | 0.9677% | NO | Quarterly | 10/7/2005 | L+2.75% | L+2.75% | N/A | 10/7/2009 | 100% | 10/7/2034 |
| 3 | 1 | BHC Sub debt | 8,000 | 1.5483% | YES | Quarterly | 10/7/2005 | L+1.80% | L+1.80% | N/A | 7/7/2010 | 100% | 7/7/2015 |
| 4 | 3 | BHC Sub debt | 5,000 | 0.9677% | YES | Quarterly | 10/7/2005 | L+1.90% | L+1.90% | N/A | 7/7/2010 | 100% | 7/7/2015 |
| 5 | 4 | BHC | 3,000 | 0.5806% | YES | Quarterly | 10/7/2005 | L+1.75% | L+1.75% | N/A | 10/7/2010 | 100% | 10/7/2035 |
| 6 | 5 | BHC | 5,000 | 0.9677% | YES | Quarterly | 10/7/2005 | 5.82% | L+1.90% | N/A | 1/7/2010 | 100% | 1/7/2035 |
| 7 | 1 | BHC | 4,000 | 0.7742% | YES | Quarterly | 10/7/2005 | L+1.90% | L+1.90% | N/A | 10/7/2010 | 100% | 10/7/2035 |
| 8 | 1 | BHC | 5,000 | 0.9677% | NO | Quarterly | 9/30/2005 | 5.90% | L+1.78% | N/A | 3/30/2010 | 100% | 3/30/2035 |
| 9 | 1 | BHC | 3,000 | 0.5806% | YES | Quarterly | 10/7/2005 | TBD | L+2.15% | N/A | 10/7/2010 | 100% | 10/7/2035 |
| 10 | 2 | BHC | 5,000 | 0.9677% | YES | Quarterly | 10/7/2005 | L+1.55% | L+1.55% | N/A | 10/7/2010 | 100% | 10/7/2035 |
| 11 | 4 | BHC | 4,100 | 0.7935% | NO | Quarterly | 10/7/2005 | L+2.00% | L+2.00% | N/A | 4/7/2010 | 100% | 4/7/2035 |
| 12 | 2 | BHC | 2,000 | 0.3871% | NO | Quarterly | 10/3/2005 | L+3.50% | L+3.50% | N/A | 12/29/2005 | 100% | 12/29/2025 |
| 13 | 2 | BHC | 7,500 | 1.4516% | YES | Quarterly | 10/7/2005 | L+1.70% | L+1.70% | N/A | 10/7/2010 | 100% | 10/7/2035 |
| 14 | 1 | BHC | 5,000 | 0.9677% | YES | Quarterly | 10/7/2005 | 6.07% | L+1.99% | N/A | 1/7/2010 | 100% | 1/7/2035 |
| 15 | 4 | BHC | 3,500 | 0.6774% | YES | Quarterly | 10/7/2005 | 5.97% | L+1.80% | N/A | 7/7/2010 | 100% | 7/7/2035 |
| 16 | 1 | BHC | 15,000 | 2.9032% | YES | Quarterly | 10/7/2005 | L+2.25% | L+2.25% | N/A | 7/7/2010 | 100% | 7/7/2035 |
| 17 | 1 | BHC | 5,000 | 0.9677% | NO | Quarterly | 9/15/2005 | 6.32% | L+2.00% | N/A | 6/15/2010 | 100% | 6/15/2035 |
| 18 | 1 | BHC | 4,000 | 0.7742% | YES | Quarterly | 10/7/2005 | L+1.90% | L+1.90% | N/A | 7/7/2010 | 100% | 7/7/2035 |
| 19 | 1 | BHC | 7,000 | 1.3548% | YES | Quarterly | 10/7/2005 | 6.01% | L+1.95% | N/A | 7/7/2010 | 100% | 7/7/2035 |
| 20 | 3 | BHC Sub debt | 8,500 | 1.6451% | NO | Quarterly | 9/30/2005 | L+2.30% | L+2.30% | N/A | 12/31/2009 | 100% | 9/30/2019 |
| 21 | 2 | BHC | 10,000 | 1.9354% | NO | Quarterly | 10/7/2005 | L+2.00% | L+2.00% | N/A | 4/7/2010 | 100% | 4/7/2035 |
| 22 | 2 | BHC | 5,000 | 0.9677% | YES | Quarterly | 10/7/2005 | L+2.05% | L+2.05% | N/A | 4/7/2010 | 100% | 4/7/2035 |
| 23 | 1 | BHC | 10,000 | 1.9354% | YES | Quarterly | 10/30/2005 | L+1.85% | L+1.85% | N/A | 7/30/2010 | 100% | 7/30/2035 |
| 24 | 3 | BHC | 7,500 | 1.4516% | YES | Quarterly | 10/7/2005 | 5.86% | L+1.69% | N/A | 7/7/2010 | 100% | 7/7/2035 |
| 25 | 2 | BHC | 1,500 | 0.2903% | NO | Quarterly | 10/18/2005 | L+2.18% | L+2.18% | N/A | 1/18/2010 | 100% | 12/10/2034 |
| 26 | 2 | BHC | 10,000 | 1.9354% | NO | Quarterly | 9/30/2005 | L+2.50% | L+2.50% | N/A | 12/30/2009 | 100% | 12/30/2034 |
| 27 | 3 | BHC | 4,000 | 0.7742% | YES | Quarterly | 10/7/2005 | 6.33% | L+2.25% | N/A | 1/7/2010 | 100% | 1/7/2035 |
| 28 | 1 | BHC | 4,500 | 0.8709% | NO | Semi-Annually | 12/30/2005 | L+3.60% | L+3.60% | 10% all in | 12/28/2006 | 100% | 12/28/2031 |
| 29 | 1 | BHC | 5,000 | 0.9677% | NO | Quarterly | 9/15/2005 | L+1.73% | L+1.73% | N/A | 6/15/2010 | 100% | 6/15/2035 |
| 30 | 2 | BHC | 5,000 | 0.9677% | YES | Quarterly | 10/7/2005 | L+1.80% | L+1.80% | N/A | 7/7/2010 | 100% | 7/7/2035 |
| 31 | 1 | BHC | 5,000 | 0.9677% | YES | Quarterly | 10/7/2005 | L+2.15% | L+2.15% | N/A | 4/7/2010 | 100% | 4/7/2035 |
| 32 | 1 | BHC | 5,000 | 0.9677% | YES | Quarterly | 10/7/2005 | L+1.90% | L+1.90% | N/A | 10/7/2010 | 100% | 10/7/2035 |
| 33 | 1 | BHC | 7,500 | 1.4516% | NO | Semi-Annually | 10/3/2005 | L+3.60% | L+3.60% | 12% all in | 4/1/2007 | 100% | 4/1/2032 |
| 34 | 1 | BHC | 10,000 | 1.9354% | NO | Quarterly | 10/7/2005 | L+2.00% | L+2.00% | N/A | 1/7/2010 | 100% | 1/7/2035 |
| 35 | 2 | BHC | 3,000 | 0.5806% | YES | Quarterly | 10/7/2005 | L+1.70% | L+1.70% | N/A | 10/7/2010 | 100% | 10/7/2035 |
| 36 | 3 | BHC | 5,000 | 0.9677% | NO | Quarterly | 9/30/2005 | L+1.75% | L+1.75% | N/A | 6/30/2010 | 100% | 6/30/2035 |
| 37 | 2 | BHC | 5,000 | 0.9677% | YES | Quarterly | 10/7/2005 | L+1.69% | L+1.69% | N/A | 10/7/2010 | 100% | 10/7/2035 |
| 38 | 2 | BHC | 5,000 | 0.9677% | YES | Quarterly | 9/30/2005 | L+2.15% | L+2.15% | N/A | 6/30/2010 | 100% | 6/30/2035 |
| 39 | 1 | BHC | 10,000 | 1.9354% | YES | Quarterly | 9/30/2005 | L+2.00% | L+2.00% | N/A | 3/31/2010 | 100% | 3/31/2035 |
| 40 | 3 | BHC | 2,500 | 0.4839% | NO | Quarterly | 9/30/2005 | L+1.60% | L+1.60% | N/A | 9/30/2010 | 100% | 9/30/2035 |
| 41 | 1 | BHC | 10,000 | 1.9354% | YES | Quarterly | 9/30/2005 | L+2.05% | L+2.05% | N/A | 3/31/2010 | 100% | 3/31/2035 |

[1] Upon execution of a satisfactory confidentiality agreement, prospective purchasers of the Notes and/or the Preferred Shares may obtain a list of the names of the Portfolio Collateral Issuers and the Affiliated HCs from the Initial Purchasers at the following addresses: Bear, Stearns & Co. Inc., 383 Madison Avenue, 7th Floor, New York, New York 10179, Attention: CDO Group and SunTrust Capital Markets, Inc., 303 Peachtree Street NW, 26th Floor, Atlanta, Georgia 30308, Attention: SunTrust Robinson Humphrey.

| Issuer [1] | Region | Type | Amount ($K) | % of Target Pool | 100% of Issuance owned by Soloso CDO 2005-1 | Pmt Freq | Next Payment Date | Coupon for first 5 years | Coupon after year 5 | All-in Rate Cap (first 5 yrs) | Optional Redemption Date | Optional Redemption Price | Maturity Date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 42 | 1 | BHC | 10,000 | 1.9354% | NO | Quarterly | 9/30/2005 | 5.71% | L+1.90% | N/A | 12/31/2009 | 100% | 12/31/2034 |
| 43 | 1 | BHC | 7,500 | 1.4516% | NO | Quarterly | 9/15/2005 | L+2.40% | L+2.40% | N/A | 9/15/2009 | 100% | 9/15/2034 |
| 44 | 5 | BHC | 1,000 | 0.1935% | NO | Quarterly | 9/30/2005 | 5.90% | L+1.78% | N/A | 3/30/2010 | 100% | 3/30/2035 |
| 45 | 1 | BHC Sub debt | 5,000 | 0.9677% | YES | Quarterly | 9/30/2005 | L+2.00% | L+2.00% | N/A | 6/30/2010 | 100% | 6/30/2015 |
| 46 | 1 | BHC | 5,000 | 0.9677% | YES | Quarterly | 9/30/2005 | L+1.89% | L+1.89% | N/A | 9/30/2010 | 100% | 9/30/2035 |
| 47 | 2 | BHC | 2,100 | 0.4064% | NO | Quarterly | 9/30/2005 | L+1.75% | L+1.75% | N/A | 6/30/2010 | 100% | 6/30/2035 |
| 48 | 3 | BHC | 3,500 | 0.6774% | YES | Quarterly | 9/30/2005 | 6.20% | L+2.05% | N/A | 6/30/2010 | 100% | 6/30/2035 |
| 49 | 1 | BHC | 3,000 | 0.5806% | YES | Quarterly | 9/30/2005 | L+2.10% | L+2.10% | N/A | 9/30/2010 | 100% | 9/30/2035 |
| 50 | 3 | BHC | 5,000 | 0.9677% | NO | Quarterly | 10/7/2005 | L+2.00% | L+2.00% | N/A | 1/7/2010 | 100% | 1/7/2035 |
| 51 | 1 | BHC | 13,000 | 2.5161% | NO | Quarterly | 9/10/2005 | L+2.00% | L+2.00% | N/A | 12/10/2008 | 100% | 12/10/2033 |
| 52 | 1 | BHC | 7,000 | 1.3548% | NO | Quarterly | 11/10/2005 | 6.03% | L+1.82% | N/A | 2/10/2011 | 100% | 2/10/2035 |
| 53 | 2 | BHC | 15,000 | 2.9032% | YES | Quarterly | 9/30/2005 | L+1.65% | L+1.65% | N/A | 9/30/2010 | 100% | 9/30/2035 |
| 54 | 1 | BHC | 8,000 | 1.5483% | NO | Quarterly | 11/23/2005 | L+1.97% | L+1.97% | N/A | 11/23/2009 | 100% | 11/23/2034 |
| 55 | 1 | BHC | 10,000 | 1.9354% | NO | Quarterly | 9/20/2005 | L+2.50% | L+2.50% | N/A | 9/20/2009 | 100% | 9/20/2034 |
| 56 | 1 | BHC | 500 | 0.0968% | NO | Quarterly | 10/18/2005 | L+2.57% | L+2.57% | N/A | 10/18/2009 | 100% | 9/16/2034 |
| 57 | 3 | BHC Sub debt | 9,500 | 1.8387% | NO | Quarterly | 9/30/2005 | L+2.30% | L+2.30% | N/A | 12/31/2009 | 100% | 9/30/2019 |
| 58 | 2 | BHC | 2,500 | 0.4839% | NO | Quarterly | 9/17/2005 | L+2.79% | L+2.79% | N/A | 6/17/2009 | 100% | 6/17/2034 |
| 59 | 2 | BHC | 5,000 | 0.9677% | NO | Quarterly | 10/7/2005 | L+2.00% | L+2.00% | N/A | 1/7/2010 | 100% | 1/7/2035 |
| 60 | 1 | BHC | 2,080 | 0.4026% | NO | Quarterly | 10/18/2005 | L+2.60% | L+2.60% | N/A | 10/18/2009 | 100% | 10/18/2034 |
| 61 | 1 | BHC | 7,000 | 1.3548% | YES | Quarterly | 10/18/2005 | L+1.90% | L+1.90% | N/A | 1/18/2010 | 100% | 1/18/2035 |
| 62 | 2 | BHC | 500 | 0.0968% | NO | Quarterly | 10/18/2005 | L+2.18% | L+2.18% | N/A | 10/18/2009 | 100% | 9/16/2034 |
| 63 | 2 | BHC | 9,500 | 1.8387% | NO | Quarterly | 10/18/2005 | L+2.18% | L+2.18% | N/A | 1/18/2010 | 100% | 12/10/2034 |
| 64 | 2 | BHC | 10,000 | 1.9354% | YES | Quarterly | 9/30/2005 | L+2.05% | L+2.05% | N/A | 12/31/2009 | 100% | 12/31/2034 |
| 65 | 1 | BHC Sub debt | 5,000 | 0.9677% | YES | Quarterly | 9/30/2005 | L+1.90% | L+1.90% | N/A | 6/30/2010 | 100% | 6/30/2015 |
| 66 | 1 | BHC | 10,000 | 1.9354% | NO | Quarterly | 10/18/2005 | 5.98% | L+2.19% | N/A | 10/18/2009 | 100% | 10/18/2034 |
| 67 | 1 | BHC | 10,000 | 1.9354% | NO | Quarterly | 9/30/2005 | L+2.58% | L+2.58% | N/A | 9/30/2009 | 100% | 9/15/2034 |
| 68 | 1 | BHC | 2,000 | 0.3871% | NO | Quarterly | 9/30/2005 | L+1.85% | L+1.85% | N/A | 9/30/2010 | 100% | 9/30/2035 |
| 69 | 5 | BHC | 4,000 | 0.7742% | NO | Quarterly | 11/23/2005 | L+2.20% | L+2.20% | N/A | 11/23/2009 | 100% | 11/23/2034 |
| 70 | 5 | BHC | 1,000 | 0.1935% | NO | Quarterly | 9/30/2005 | L+1.85% | L+1.85% | N/A | 12/30/2009 | 100% | 12/30/2034 |
| 71 | 2 | BHC | 2,000 | 0.3871% | NO | Quarterly | 9/30/2005 | 6.93% | L+2.85% | N/A | 2/18/2011 | 100% | 2/18/2034 |
| 72 | 4 | BHC | 10,000 | 1.9354% | NO | Quarterly | 9/15/2005 | L+1.70% | L+1.70% | N/A | 6/15/2010 | 100% | 6/15/2035 |
| 73 | 1 | BHC | 5,000 | 0.9677% | NO | Quarterly | 10/7/2005 | 6.35% | L+2.25% | N/A | 10/7/2009 | 100% | 10/7/2034 |
| 74 | 1 | BHC | 5,900 | 1.1419% | NO | Quarterly | 9/30/2005 | L+1.75% | L+1.75% | N/A | 6/30/2010 | 100% | 6/30/2035 |
| 75 | 4 | BHC | 10,000 | 1.9354% | NO | Quarterly | 10/7/2005 | L+1.90% | L+1.90% | N/A | 10/7/2009 | 100% | 10/7/2034 |
| 76 | 3 | BHC | 1,000 | 0.1935% | NO | Quarterly | 9/30/2005 | L+1.75% | L+1.75% | N/A | 6/30/2010 | 100% | 6/30/2035 |
| 77 | 3 | BHC | 15,000 | 2.9032% | NO | Quarterly | 9/30/2005 | 6.38% | L+1.70% | N/A | 9/30/2010 | 100% | 9/30/2035 |
| 78 | 1 | BHC | 4,000 | 0.7742% | YES | Quarterly | 9/30/2005 | L+1.90% | L+1.90% | N/A | 6/30/2010 | 100% | 6/30/2035 |
| 79 | 5 | BHC | 10,000 | 1.9354% | YES | Quarterly | 11/23/2005 | L+2.25% | L+2.25% | N/A | 5/23/2010 | 100% | 5/23/2035 |
| 80 | 2 | BHC | 15,000 | 2.9032% | NO | Quarterly | 9/30/2005 | L+1.45% | L+1.45% | N/A | 9/30/2010 | 100% | 9/30/2035 |
| | | **TOTALS** | **$ 501,680** | **97.10%** | | | | | | | | | |

[1] Upon execution of a satisfactory confidentiality agreement, prospective purchasers of the Notes and/or the Preferred Shares may obtain a list of the names of the Portfolio Collateral Issuers and the Affiliated HCs from the Initial Purchasers at the following addresses: Bear, Stearns & Co. Inc., 383 Madison Avenue, 7th Floor, New York, New York 10179, Attention: CDO Group and SunTrust Capital Markets, Inc., 303 Peachtree Street NW, 26th Floor, Atlanta, Georgia 30308, Attention: SunTrust Robinson Humphrey.

**For purposes of the foregoing table the five geographical regions and the states or territories included therein are as set forth below:**

| Region 1 | Region 2 | Region 3 | Region 4 | Region 5 |
|---|---|---|---|---|
| Connecticut | Alabama | Arizona | Arkansas | Alaska |
| Delaware | Illinois | Colorado | Louisiana | California |
| Florida | Indiana | Idaho | New Mexico | Hawaii |
| Georgia | Kentucky | Iowa | Oklahoma | Oregon |
| Maine | Michigan | Kansas | Texas | Washington |
| Maryland | Mississippi | Minnesota | | |
| Massachusetts | Ohio | Missouri | | |
| New Hampshire | Tennessee | Montana | | |
| New Jersey | Wisconsin | Nebraska | | |
| New York | | Nevada | | |
| North Carolina | | North Dakota | | |
| Pennsylvania | | South Dakota | | |
| Puerto Rico | | Utah | | |
| Rhode Island | | Wyoming | | |
| South Carolina | | | | |
| Vermont | | | | |
| Virginia | | | | |
| Washington, D.C. | | | | |
| West Virginia | | | | |

**ANNEX C**

| Period Begin Dates | Period End Dates | Fixed Rate (% per annum) |
|---|---|---|
| 8/24/2005 | 10/17/2005 | 0 |
| 10/17/2005 | 1/17/2006 | 4.110000 |
| 1/17/2006 | 4/17/2006 | 4.300000 |
| 4/17/2006 | 7/17/2006 | 4.420000 |
| 7/17/2006 | 10/16/2006 | 4.470000 |
| 10/16/2006 | 4/16/2007 | 4.530000 |
| 4/16/2007 | 7/16/2007 | 4.550000 |
| 7/16/2007 | 10/15/2007 | 4.570000 |
| 10/15/2007 | 4/15/2008 | 4.590000 |
| 4/15/2008 | 7/15/2008 | 4.600000 |
| 7/15/2008 | 10/15/2008 | 4.610000 |
| 10/15/2008 | 1/15/2009 | 4.640000 |
| 1/15/2009 | 4/15/2009 | 4.650000 |
| 4/15/2009 | 7/15/2009 | 4.670000 |
| 7/15/2009 | 10/15/2009 | 4.680000 |
| 10/15/2009 | 1/15/2010 | 4.690000 |
| 1/15/2010 | 4/15/2010 | 4.700000 |
| 4/15/2010 | 7/15/2010 | 4.720000 |
| 7/15/2010 | 7/15/2015 | 5.530000 |

## PRINCIPAL OFFICES OF THE CO-ISSUERS

**Soloso CDO 2005-1 Ltd.**
c/o Maples Finance Limited
P.O. Box 1093 GT
Queensgate House
South Church Street, George Town
Grand Cayman, Cayman Islands

**Soloso CDO 2005-1 Corp.**
c/o Puglisi & Associates
850 Library Avenue, Suite 204
Newark, Delaware 19711

## TRUSTEE, PRINCIPAL PAYING AGENT AND NOTE REGISTRAR

**Wells Fargo Bank, National Association**
9062 Old Annapolis Road
Columbia, Maryland 21045

## TRANSFER AGENT

**Wells Fargo Bank, National Association**
Wells Fargo Center
Sixth Street and Marquette Avenue
Minneapolis, Minnesota 55479

## IRISH LISTING AGENT, IRISH PAYING AGENT AND TRANSFER AGENT

**RSM Robson Rhodes**
Fitzwilton House
Wilton Place, Dublin 2

## LEGAL ADVISORS

### To the Co-Issuers

As to U.S. Law
**Orrick, Herrington & Sutcliffe LLP**
666 Fifth Avenue
New York, New York 10103

### To the Initial Purchasers

**Orrick, Herrington & Sutcliffe LLP**
666 Fifth Avenue
New York, New York 10103

### To the Issuer

As to Cayman Islands Law
**Maples and Calder**
P.O. Box 309 GT
Ugland House
South Church Street, George Town
Grand Cayman, Cayman Islands

No securities dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Confidential Offering Circular and, if given or made, such information or representation must not be relied upon as being authorized by the Co-Issuers or the Initial Purchasers. This Confidential Offering Circular does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. Neither the delivery of this Confidential Offering Circular nor any sale made hereunder shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof or that there has been no change in the affairs of the Co-Issuers or the Portfolio Collateral.

TABLE OF CONTENTS

PAGE

NOTICES TO PURCHASERS .... iii
AVAILABLE INFORMATION .... v
CONFIDENTIAL OFFERING CIRCULAR SUMMARY .... 1
SPECIAL CONSIDERATIONS .... 18
THE ISSUER AND THE CO-ISSUER .... 24
DESCRIPTION OF THE NOTES .... 27
SECURITY FOR THE NOTES .... 44
THE SWAP AGREEMENT .... 55
MATURITY AND PREPAYMENT CONSIDERATIONS .... 57
LEGAL STRUCTURE .... 58
DELIVERY OF THE NOTES; TRANSFER RESTRICTIONS; SETTLEMENT .... 62
CERTAIN TAX CONSIDERATIONS .... 64
CAYMAN ISLANDS TAX CONSIDERATIONS .... 68
CERTAIN ERISA CONSIDERATIONS .... 69
CERTAIN LEGAL INVESTMENT CONSIDERATIONS .... 70
RATINGS .... 71
USE OF PROCEEDS .... 71
PLAN OF DISTRIBUTION .... 71
LISTING AND GENERAL INFORMATION .... 72
CERTAIN LEGAL MATTERS .... 73
FINANCIAL STATEMENTS .... 73
ANNEX A: GLOSSARY OF CERTAIN DEFINED TERMS .... A-1
ANNEX B: TABLES OF INITIAL PORTFOLIO COLLATERAL .... B-1
ANNEX C: SWAP RATE TABLE .... C-1

SOLOSO CDO 2005-1 LTD.

SOLOSO CDO 2005-1 CORP.

U.S. $170,000,000 Class A-1L Floating Rate Notes Due October 2035

U.S. $126,000,000 Class A-1LA Floating Rate Notes Due October 2035

U.S. $39,000,000 Class A-1LB Floating Rate Notes Due October 2035

U.S. $45,500,000 Class A-2L Deferrable Floating Rate Notes Due October 2035

U.S. $40,000,000 Class A-3L Floating Rate Notes Due October 2035

U.S. $19,000,000 Class A-3A Fixed/Floating Rate Notes Due October 2035

U.S. $19,000,000 Class A-3B Fixed/Floating Rate Notes Due October 2035

U.S. $30,500,000 Class B-1L Floating Rate Notes Due October 2035

CONFIDENTIAL OFFERING CIRCULAR

**Bear, Stearns & Co. Inc.**

**SunTrust Robinson Humphrey**

August 18, 2005